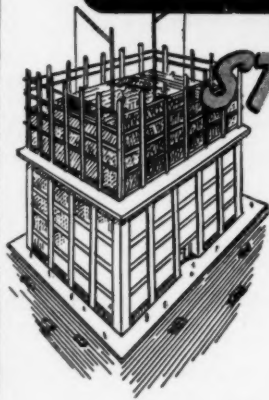


The NATIONAL UNDERWRITER

Building America!



STEEL MILLS

At the dawn of the 19th century it would have seemed fantastic to predict what subsequently happened—that with the arrival of the 20th century the United States would be leading the world in steel production and that in another few decades steel would have become the key weapon in a global war. • Although in 1800 Americans turned out an estimated 50,000 net tons of iron, less than 1,000 tons of steel were produced. Today, with an annual capacity of 90,000,000 net tons, mills in the United States can make as much steel in a few hours as the entire tonnage of iron produced in 1800. • Presently employing some 634,000 workers, and with an average monthly payroll of \$133,275,000, the steel industry in this country expects to produce, in 1943, approximately 92,000,000 tons of steel. In addition to establishing a new record, this will be more than half of the steel produced in the world.

PROTECTING AMERICA!



Strength and a maximum of shock-proof protection have been contributed by steel to the building of America and to America's buildings—a contribution of real magnitude to the country's economic growth and to its national security. And to safeguard its own vast property investments and activities against a complexity of insurable hazards, the steel industry has utilized the strength and shock-proof financial protection afforded by insurance.

In safeguarding all types of physical values which are fundamental in the building of America, the Royal-Liverpool Groups make available to agents and brokers highly-developed underwriting and service facilities.

AGENTS AND BROKERS—War Damage policies should be renewed. Do not fail to inform property owners as to the availability of such insurance.

ROYAL LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA

THURSDAY, JULY 29, 1943

Prestige

of the Insurance Exchange Building brings you
extra business at no extra cost

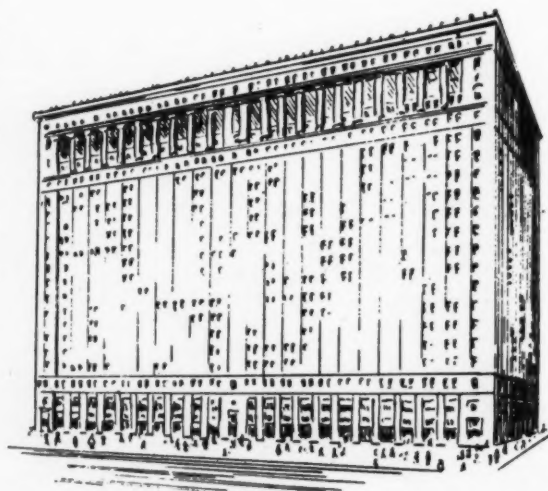
Prestige—a valuable intangible so often taken for granted. Here in the Insurance Exchange Building, the thousands of insurance people—the finest in the country—have brought prestige to this great, modern office building—designed and managed specifically for the insurance business.

When you locate your insurance business in the Insurance Exchange Building, you share in the prestige of this insurance building and its thousands of insurance tenants. No-where in the country will you find so vast a centralization of insurance and allied organizations. Here

are written more than 90% of the premiums of fire, casualty and allied insurance lines produced in the Chicago area.

Such close personal contact with other insurance people located under the same roof with you, brings you extra business—extra profits at no extra cost.

You gain in many other ways, too. Get the complete story about the advantages of the Insurance Exchange Building for your business. Write for rental information.



Insurance Exchange Building

R. S. SWANSON, Manager

175 W. JACKSON BLVD. • CHICAGO

Michigan Letter Is Causing Concern to Some Companies

**Deals with Writing of
Personal Property
Floater in the State**

The Michigan insurance department has sent letters to companies operating in the state inquiring as to whether their charter powers authorize them to write personal property floater insurance. The department asked for a copy of the charter showing this provision. If a company's charter permitted it to write the personal property floater but it was not allowed to issue such policies in its home state, could it get a letter from the state insurance commissioner to the effect that he did not object to the company writing such insurance in Michigan? For instance, Connecticut and New York do not have any provisions in their laws allowing the writing of personal property floater insurance. Yet the companies organized under the laws of these states can write such insurance under their charter provisions.

Considerable Confusion

When the letter was received there was considerable confusion as to what should be done. Some companies, for instance, felt that in cases like New York and Connecticut a letter from the state insurance commissioner to the effect that he had no objection to companies writing the class in Michigan would hold for all domestic companies. However, the department is requiring an individual letter from each company. It desires to have every company on record in this respect.

The confusion arises over the new personal property floater law which was passed by the last legislature. The Michigan Association of Insurance Agents approved the bill and got behind it. Then some of the casualty companies came into the picture and brought very aggressive opposition, as they objected to the fire companies being allowed to write burglary insurance under the personal property floater form. There are but few casualty companies that are privileged to write the personal property floater although there are some. The department, therefore, is inquiring of the casualty companies as well as the fire companies as to what their situation is.

The casualty companies got into the politics of the bill the last day of the session and had a provision inserted to the effect that a company would be prohibited from writing this class of insurance unless its charter powers authorized it. The Michigan department therefore does not want to take any uncertain position and is putting every company on record as to how far it is authorized to go.

D. of C. Bill Slated for Action

WASHINGTON — Action is expected to be taken by Congress after it reconvenes on the bill providing for an insurance rating bureau in the District of Columbia, organized, financed and operated by insurance interests, under the supervision of Commissioner Jordan. Hearings on the bill will likely be held in October.

Dauwalter of Natl. Board Resigns

**Has Not Announced
Future Plans; Formerly
Head of BDO**

NEW YORK—F. S. Dauwalter, assistant general manager of the National Board since 1939, has resigned. He is making no announcement of future plans, but may do so in the next two or three weeks. Mr. Dauwalter



F. S. DAUWALTER

will be at his residence, Kew Hall, Kew Gardens, Queens.

While Mr. Dauwalter was head of the Business Development Office, prior to his appointment with the National Board, he acquired a national acquaintance among local agents, field men, and others through his trips into every section of the country addressing meetings and holding conferences. He developed the "Dauwalter formula," on which much of the early work of BDO was based.

Mr. Dauwalter started in the business in his father's agency at Booneville, Mo., in 1912. In 1915, he was appointed special agent for Fidelity-Phenix in Missouri. He resigned this position in 1920 to become executive special agent of the farm department of National of Hartford at Chicago. In 1924 he joined Royal-Liverpool groups as superintendent of the farm department of Liverpool & London & Globe in Chicago, continuing until 1931, when he became special agent in the general cover department of these groups in

Bailees, HHF Forms in Laundry Loss

**Department to Quiz on
Inadequate Cover for 1c
Charge, Fire Forms Cover**

ATLANTA—The recent fire at the Briarcliff Laundry here promises to involve two interesting insurance angles, the coverage of goods away from the assured's premises under household furniture fire policies and the possibility of serious fraud charges because the laundry apparently failed to provide adequate insurance, although making a charge for coverage.

The household furniture form of the Southeastern Underwriters Association, like the middle western forms, covers property away from the premises, up to 10% or a maximum of \$1,000.

S. E. U. A. Covers as Excess

However, the Southeastern Underwriters Association form, issued in September, 1942, covers losses where other insurance is involved, while the midwest form does not do so. The midwest form states that the 10% of the policy amount applicable to property away from the premises "shall not apply to any loss at any other location, if at the time of loss or damage, there is any other kind of insurance which would attach had this insurance not been effected." The phrasing of the SEUA form is: "Such amount shall apply as excess after any other fire insurance thereon has been exhausted." Thus the SEUA form would cover a loss of this kind after the bailee insurance of \$1,000 is exhausted, while the midwest form under similar circumstances would not apply. Some companies already have settled claims arising under the SEUA household furniture form as a result of the Briarcliff loss.

There is no information as to the number of household furniture forms involved in the Briarcliff fire, but it was stated that a number of the customers of the laundry were men in service. The laundry, one of the largest in the south, did a good deal of work for other laundries.

A temporary receiver appointed for the laundry stated that there was only \$1,000 bailees' customers insurance carried by the store, although the loss to customers was estimated at \$200,000 and the laundry charged one cent per bundle for insurance. If the report that there

(CONTINUED ON PAGE 23)

charge of the middle west. He was appointed assistant manager in the western departments of the groups in 1934, becoming BDO director in 1936.

C. D. Minor Is Elected President of Virginia F. & M.

**H. C. Pitot, Also from Royal-
Liverpool U. S. Head Office,
Named Vice-president**

RICHMOND—Claude D. Minor, supervisor of the publicity, public relations activities and personnel of the Royal-Liverpool groups, was elected president of Virginia Fire & Marine at the meeting of the board here last week. Harold T. Cartledge, deputy U. S. manager of Royal-Liverpool, who



CLAUDE D. MINOR

recently was elected a vice-president, was also named executive director.

Henry C. Pitot, superintendent of the general cover department for the groups, was elected vice-president. Mr. Minor and Mr. Pitot will take up residence in Richmond.

Beverly C. Lewis, Jr., vice-president and secretary, who has been with the company since 1903, continues in that capacity. John J. Baker and Bernard P. Mallory, assistant secretaries, continue in those positions.

Five Additional Directors

Five additional directors were elected: T. M. Brown of Brown Bros. Harriman & Co., New York; W. R. Burgess, vice-chairman National City Bank of New York; W. S. Gray, Jr., president Central Hanover Bank & Trust Co., New York; Benjamin Strong, vice-president United States Trust Co., New York, and Mr. Minor.

The usual semi-annual dividend was declared.

Mr. Minor, a native of Kentucky, received his law degree from Hamilton College, Chicago. He practiced law in his native state for 10 years prior to joining Liverpool & London & Globe in 1924. Mr. Minor held various positions with the company and eventually became head of the special service department of the Royal-Liverpool groups in New York City. He became recognized as an outstanding authority on use and occupancy and other specialized forms of insurance, being the author of several treatises dealing with these subjects. In 1935 he was named

(CONTINUED ON PAGE 23)

THIS WEEK IN INSURANCE

Claude C. Minor is elected president and H. C. Pitot vice-president of Virginia Fire & Marine. **Page 1**

Michigan insurance department has written companies regarding their authority to write personal property floaters in the state. **Page 1**

The 10% coverage away from premises under the SEUA household furniture form will pay as excess in the Briarcliff Laundry loss at Atlanta. There was only \$1,000 bailees' customers coverage. **Page 1**

Commissioner Harrington of Massachusetts, president National Association of Insurance Commissioners, announces the appointment of the committee on fire prevention. **Page 3**

Much interest is taken on the possible filing of companies by the Pacific Board for writing first loss earthquake insurance. **Page 3**

F. S. Dauwalter, assistant general manager of the National Board, resigns. **Page 1**

"Net retention" in a reinsurance treaty is held by federal court to be affected by excess or catastrophe reinsurance in case involving Tacoma bridge loss. **Page 3**

Arthur T. Moyer of the agency department of the North America at its head office has been appointed agency superintendent. **Page 9**

Michigan's new compulsory compensation law stimulates new business. **Page 11**

Ruling that group accident and health premiums paid by employer are not wages or salaries stimulates sales on employer-pay-all basis. **Page 11**

National Safety Council survey shows that the number of people injured in off-the-job accidents is greater than those injured while at work. **Page 14**

U. S. Anti-Trust Moves on Coast Still Uncertain

SAN FRANCISCO—While Joseph L. Alioto, special assistant United States attorney general, continues to interview company and organization executives and producers in San Francisco in the so-called investigation of fire insurance operations in this area, there appears to be nothing definite or specific about the situation.

After being in San Francisco several weeks, Mr. Alioto conferred with Samuel L. Carpenter, Jr., general manager of the Pacific Board, last week but, according to reliable report, the conversation was general. Later Mr. Carpenter reported the visit to the executive committee of the board but because no charges have been filed or allegations made—nor has anything official been placed before the board—no action was taken, awaiting further developments.

San Francisco newspapers have carried stories about the investigation under such headings as "Fire Insurance Firms Here Face Trust Probe." In one of these stories Mr. Alioto is quoted as saying:

"It is true that department investigators have been questioning insurance companies here, but no formal charges have been filed yet, and none will be filed for at least a month."

From this statement it would appear that the government is preparing some citations or charges.

\$250,000 St. Louis Fire

ST. LOUIS, MO.—Fire destroyed the major portion of the building and loading docks of the National Carloading Corp. at 229 Biddle street here. The Streckler Trucking Co. had about \$20,000 damage done to truck trailers, but was unable to estimate damage to the contents of three trailers that were destroyed. Total damage to the one-story frame warehouse building, owned by the Rock Island and Frisco railroad companies, was estimated at \$50,000, damage to contents of the warehouse at \$45,000 to the trucks and trailers. Other estimates placed the total loss at \$250,000. About 50 trucks parked outside the loading platform were damaged, as were six freight cars standing on tracks on the west side of the warehouse.

Study Work Week in L. A.

LOS ANGELES—George F. Houghton, Hartford Accident, temporary chairman of the insurance committee considering the 48-hour work week, at its meeting Tuesday named a subcommittee to secure data from the various insurance groups and make recommendations as to what the industry desires in regard to the War Manpower Commission's directive putting the 48-hour week in effect. The sub-committee is: Hugo Methmann, Fireman's Fund, chairman; Harold Sand, John Hancock Mutual Life; Brit McConnell, Pacific Employers; M. F. Branch, Insurance Exchange; and Geo. T. Conklin, Pacific Indemnity. The consensus was that insurance as a whole probably would ask exemption on a 40-hour basis.

\$100,000 Oil Refinery Fire

The refining plant of the Roosevelt Oil Co. at St. Elmo, Mich., suffered a \$100,000 loss by fire, fully covered by insurance. The damage was divided about equally between oil and refinery buildings and equipment.

Ball Opens His Own Office

Oscar R. Ball, for the past 18 years with the Western Adjustment, 14 as senior member of the staff in Cleveland, has resigned and has opened an office at 307 Citizens building, Cleveland, as an independent adjuster serving fire companies.

Cook County Premiums for 1942 Shown

The Chicago Board has prepared an exhibit of fire, tornado and sprinkler leakage premiums as reported to it by the stock companies for 1942. The total for 1942 was \$21,751,184, an increase of \$1,653,230. Premiums of the various companies for both 1941 and 1942 are shown below, together with the totals of the various insurance company groups.

Company	1941	1942
Aetna Fire	\$495,190	\$497,518
Agricultural	107,469	96,385
Albany	32,890	29,777
Allemania	31,054	24,726
Alliance, Pa.	65,312	89,783
American Alliance	60,018	83,536
Amer. Equitable	180,651	133,338
American Central	91,843	106,034
American Eagle	88,557	122,843
American Fire, Tex.	2,954	1,003
American Home	24,620	26,500
American, N. J.	248,517	256,427
American & Foreign	26,819	20,809
American Union	128,941	126,899
Anchor	13,114	11,436
Associated F. & M.	9,038	10,743
Atlas	98,165	98,843
Automobile	236,460	234,886
Baltimore American	75,409	86,950
Bankers & Shippers	81,084	81,235
Birmingham, Pa.	54,444	51,685
Boston	56,081	55,562
British General	2,744	2,459
British America	4,852	9,263
British & Foreign M.	5,970	6,246
Buffalo	56,326	46,101
Cal'd'n-American	30,483	46,101
Caledonian	50,167	56,973
California	34,531	37,903
Camden	91,634	114,670
Century	31,591	30,960
Carolina	17,301	13,698
Central Fire, Md.	22,265	39,947
Central States Fire	16,301	28,259
Central Union	41,711	39,302
Charter Oak	25,176	25,443
Citizens, N. J.	64,592	67,348
City, N. Y.	88,090	87,651
Columbia, O.	127,190	122,865
Columbia, N. Y.	33,013	34,148
Concordia	96,942	107,003
Connecticut	242,520	243,997
Comm. Union, Eng.	141,506	169,813
Comm. Union, N. Y.	33,239	31,615
Commerce	24,608	37,503
Commonwealth	164,789	169,971
Continental	413,119	366,989
County, Pa.	11,287	10,437
Detroit F. & M.	61,996	63,199
Dixie Fire	27,623	27,277
Dubuque F. & M.	176,658	169,371
Eagle Fire, N. Y.	53,668	61,943
Eagle Star	92,381	110,273
East & West	27,893	34,547
Emmco	1,100	1,100
Employers Fire	73,152	108,162
Empire State	45,152	49,406
Equitable F. & M.	138,756	138,966
Eureka-Sec. F. & M.	66,090	58,152
Excelsior	6,991	8,554
Farmers, Pa.	30,407	42,201
Federal	18,243	36,352
Federal Union	95,388	88,948
Fidelity & Guar. Fire	242,619	275,487
Fidelity-Phenix	254,179	308,578
Fire Association	179,518	194,439
Fireman's Fund	256,704	303,765
Firemen's, N. J.	226,094	254,356
First American	54,629	102,661
Franklin	127,302	122,476
Franklin National	53,711	42,353
Fulton	10,157	26,709
Georgia Home	34,221	33,259
Gibraltar F. & M.	8,776	22,727
Glard F. & M.	216,033	205,884
Glens Falls	293,115	264,638
Globe & Republic	110,008	100,512
Globe & Rutgers	53,671	57,138
Granite State	38,063	44,530
Great American	251,773	246,088
Hanover	138,064	127,422
Hartford Fire	480,226	579,192
Home F. & M.	85,025	103,059
Home, N. Y.	774,672	780,810
Homeland	59,172	70,136
Homestead	14,500	24,135
Knickerbocker	74,204	85,299
Illinois Fire	1,427	1,863
Imperial	154,076	143,373
Jersey	36,622	42,034
Kansas City F. & M.	827	3,541
London Assurance	148,563	165,178
Law, Un. and Rock	84,552	94,375
Liverpool & L. & G.	286,998	284,386
London & Lanc'hire	200,105	221,732
London & Provincial	18,586	21,617
London & Scottish	21,780	22,589
Lumbermen's, Pa.	32,332	44,371
Manhattan F. & M.	62,438	62,884
Maryland	28,772	37,844
Massachusetts F. & M.	34,138	52,027
Mech. and Traders	40,441	72,475
Merch'ts & Mfrs.	36,226	22,285
Mercantile	86,627	116,680
Merchants, Colo.	10,763	11,459
Merchants, N. Y.	210,446	203,136
Mercury	118,447	137,453
Michigan F. & M.	94,027	80,374
Millers National	291,381	186,380
Milwaukee Mechan's	196,452	229,587
Minneapolis F. & M.	73,137	109,522
Monarch	47,512	38,383
Nat'l-Ben Franklin	63,569	69,396
National, Hartford	478,429	543,690
National Liberty	223,126	247,989
National Reserve	66,828	63,880
National Security	28,521	32,088
National Union	108,763	148,422
Netherlands	27,109	22,486

Company	1941	1942
New Brunswick	63,703	86,386
New England	13,709	40,791
New Hampshire	56,265	53,374
New York Fire	89,196	94,310
Newark	83,353	75,838
Niagara	202,400	257,360
North America	374,547	620,947
North Eng.	134,058	123,975
North River	174,592	176,937
Northw'n F. & M.	22,346	22,181
Northern, N. Y.	100,836	122,569
Norwich Union	86,824	81,284
N. Y. Underwriters	99,052	118,656
No. British & Merc.	203,956	281,990
Occidental	34,413	51,107
Ohio Farmers	19,752	16,118
Old Colony	20,777	26,370
Orient	197,299	191,214
Palatine	2,368	1,602
Pacific Coast	6,243	7,637
Pacific National	160,390	145,543
Pacific, N. Y.	76,361	123,231
Paramount Fire	70,613	114,136
Patriotic	24,761	30,851
Paul Revere	43,883	58,665
Pearl	208,512	199,853
Pennsylvania	227,262	252,852
Philadelphia Nat'l.	18,820	20,892
Philadelphia F. & M.	97,546	105,642
Phoenix of Hartford	183,320	196,220
Phoenix, Eng.	143,050	157,075
Piedmont	12,279	362
Pioneer	59,510	49,139
Potomac	81,775	78,505
Providence Wash.	170,849	170,180
Provident, N. H.	43,435	30,968
Quaker City F. & M.	23,928	14,447
Queen	131,736	137,101
Reliable	21,862	21,443
Reliance	42,919	46,243
Republic, Texas	28,554	60,174
Rhode Island	155,927	68,630
Richmond	17,190	31,563
Rochester American	13,458	12,150
Royal Exchange	138,001	118,347
Royal	340,481	306,111
Safeguard	48,995	55,209
Seaboard F. & M.	52,103	43,920
Security, Conn.	171,434	198,096
Security, Iowa	86,495	81,298
Sentinel	47,242	40,258
Springfield F. & M.	385,170	413,550
Southern, N. C.	243	134
Scottish Un. & Nat'l	94,465	92,236
Standard, Conn.	139,065	141,765
Standard Fire, N. J.	50,790	47,943
Standard, N. Y.	274,844	286,885
Standard Marine	16,239	9,784
Star	74,471	77,717
State of Pa.	47,999	45,211
St. Louis F. & M.	19,178	15,576
St. Paul F. & M.	249,596	266,148
Sun	136,521	158,051
Sun Underwriters	41,626	55,668
Switzerland Gen'l.	1,095	1,612
Transcontinental	37,707	37,707
Travelers Fire	246,417	297,639
Twin City	51,366	47,535
Union Assurance	15,489	13,316
United Firemen's	147,008	145,074
United States	252,652	271,092
Union of Canton	10,022	10,930
Un. Marine & Gen'l.	19,412	24,276
Western, Can.	22,938	42,010
Westchester	136,115	190,891
Western Factory	262,470	332,521
Western, Kansas	11,871	16,102
World F. & M.	59,010	73,855
Yorkshire	83,927	89,055
Totals	\$20,087,954	\$21,751,184

GROUPS

GROUPS	1941	1942
Aetna Fire	\$837,425	\$858,622
Agricultural	152,621	145,791
American, N. J.	402,761	416,569
America Fore	1,041,858	1,196,278
Atlas	154,985	143,068
Automobile	375,525	376,652
Boston	76,858	81,932
Caledonian	107,760	125,561
Century	37,834	38,597
Commercial Union	321,723	362,744
Corroon & Reynolds	491,383	437,359
Crum & Foster	639,639	746,620
Dubuque F. & M.	243,487	233,621
Fire Association	273,590	305,947
Fireman's Fund	376,142	457,933
Firemen's, N. J.	799,092	869,528
Glens Falls	317,723	302,142
Globe & Rutgers	126,291	128,849
Great American	432,672	467,440
Hanover	148,222	154,131
Hartford Fire	717,583	834,919
Home, N. Y.	1,450,550	1,565,193
London Assurance	211,191	228,116
London & Lanc'hire	547,192	572,315
Meserole	194,067	246,501
Millers National	292,808	188,243
National Fire	572,583	697,227
National Union	163,207	200,107
New Hampshire	94,329	97,904
North America	588,191	888,409
No. British & Merc.	742,347	891,631
Northern, Eng.	155,839	146,565
Norwich Union	140,493	143,227
Pearl	322,115	296,389
Phoenix, Hartford	660,935	716,966
Phoenix, Eng.	496,561	503,948
Providence Wash.	181,963	181,616
Royal Exchange	176,436	149,316
Royal-Liverpool	1,042,289	991,885
St. Paul F. & M.	368,044	403,601
Scottish Union	265,117	258,438
Security, Conn.	199,327	232,644
Springfield F. & M.	540,150	574,974
Sun	202,909	244,570
Travelers Fire	271,594	323,082
Yorkshire	154,617	154,939
Group Totals	\$18,321,596	\$19,784,549

Hold Up Ga. O. K. on N. Y. Policy: S.E.U.A. Preparing Form

ATLANTA—The order prepared by Commissioner Parker, making the 1943 New York standard fire policy optional in Georgia after Sept. 1 and mandatory after Jan. 1 has been held up. Notices were all ready for mailing when it was discovered that the order failed to modify the policy to include a necessary reference to the insurance statutes of Georgia.

It also developed that a committee of the Southeastern Underwriters Association was working on a new "optional coverage policy" which will, it is understood, substantially cover the same ground as the new New York policy, and provide additional advantages in the elimination of paper work on the part of agents. The committee was unaware of the impending Georgia department and order; apparently the department was unaware of the S.E.U.A. committee activity.

Commissioner Parker declined to discuss the situation beyond stating that he had issued no order, accompanied by the cryptic comment that "it might take several months to work out all of the details of any final adoption of the New York policy."

Lloyd Wheeler, secretary-manager of the S.E.U.A., was unwilling to discuss the details of the proposed optional coverage policy on which it is understood an association committee has been working for some time. However, it appears probable that the new policy will be completed within the next three or four months. Apparently it will be designed for use, with appropriate endorsements, in all of the S.E.U.A. states. In general it may be expected that it will follow the pattern of the New York policy with respect to fire and extended coverage. It is expected that it will also include provision for windstorm coverage. So far as Georgia is concerned, this will probably lead to the promulgation of the new policy without direct approval by the commissioner, since windstorm insurance, not being referred to in the statute, does not come under the supervision of the insurance department.

Putnam Named Chairman of Cal. Agents Meeting

SAN FRANCISCO—C. M. Putnam of Oakland has been appointed general chairman of the annual convention of the California Association of Insurance Agents to be held in the Whitcomb hotel here Oct. 15-17. He is a state association director and president of the Oakland association. C. W. Carpenter of Petaluma, state president, made Mr. Putnam responsible for the entire three-day meeting, including preparation of program. Sub-chairmen will be named and meetings will be held with representatives of the San Francisco Brokers Exchange, Society of Insurance Brokers and company organizations, all of whom signified they would cooperate.

There will be a minimum of entertainment and due to housing difficulties it is anticipated companies will forego their usual headquarters for entertainment of delegates.

Plans also are being laid for the fall series of regional meetings to be held at some 25 strategic points. The first meetings will be in central California with Ralph E. Bach, San Diego, association vice-president, as official representative. H. H. Hendren, Sacramento, immediate past-president and now state national director, will be in charge of the meetings in northern California which will open the week of Sept. 6.

Meetings in southern California will open Sept. 13 in charge of President Carpenter. Agenda and definite dates and locations will be announced later.

Paul Revere Fire has announced a dividend of 60 cents and 10 cents extra.

Fire Prevention Committee Named for Commissioners

Will Work in Connection with Office of Civilian Defense

Commissioner Harrington of Massachusetts, president National Association of Insurance Commissioners, has announced the appointment of a new committee of the organization on fire prevention in order to facilitate cooperation between that organization and Gen. U. S. Grant, III, in accordance with his request to consider the inspection of non-allocated risks such as food warehouses and similar risks not now under the jurisdiction of the Army and Navy. Commissioner Gontum of Maryland is made chairman of the committee and Superintendent A. F. Jordan of Washington, D. C., is appointed vice-chairman. The other members are G. L. Neel, Pennsylvania; W. J. Swain, Delaware; W. A. Sullivan, Washington; J. M. McCormack, Tennessee; Marvin Hall, Texas. Commissioner Gontum, it is announced, is completing arrangements for an early meeting of the committee to consider the program tentatively presented.

Committee Named in New York

It will be remembered that Commissioner Gontum called a meeting in New York City to confer with General Grant of the Office of Civilian Defense, on a general plan for inspection of plants in essential war industries. The meeting consisted of representatives of various insurance groups who were concerned in cooperating with the program tentatively outlined by General Grant at the commissioners' annual meeting in Boston. Commissioner Gontum appointed a committee consisting of C. W. Pierce, president Factory Insurance Association, chairman; Percy Bugbee, general manager National Fire Protection Association; A. V. Gruhn, general manager American Mutual Alliance; J. B. Miller, secretary National Association of Insurance Agents; Paul I. Leary, deputy Maryland department, and Mr. Gontum.

Eager to Render Assistance

The meeting went on record as being eager to help the OCD plant fire prevention efforts in every possible way but it realized that there are certain political difficulties, the principal one being overlapping of authority. It is necessary to get these different jurisdictional fields clearly lined before attempting to formulate a general plan. Plants which are under War Department supervision have the services of the National Bureau for Industrial Protection which makes use of the inspection facilities of stock and mutual companies. The Office of Civilian Defense aims to provide inspection and prevention facilities for the many plants which are engaged in essential war work but not under the war department's jurisdiction.

There seems to be considerable confusion as to what line to proceed in case of inspection of risks that are not covered by the War and Navy departments. Indiana worked out a plan of its own without securing the official approval of Washington and Ohio is proceeding along its line. Evidently both states became impatient at the prolonged delay. No one seems to be able to untangle the snarl and hence the fire prevention people are still waiting although anxious to do the work which they have volunteered to do.

Six Candidates Win C.P.C.U. Award

First Time Designation of American Institute Has Been Presented

Six candidates were awarded the C.P.C.U. designation at the first annual meeting of trustees of the American Institute for Property & Liability Underwriters. They have completed all the institute's examinations.

They are R. M. Babbitt, Jr., manager casualty department Joyce & Co., Chicago; F. H. Chekwidgen, manager marine and inland marine departments Camden Fire, Camden, N. J.; F. D. Leete, Jr., local agent, Indianapolis; R. F. Sommer, manager Adams-Clark Agency, Chicago; E. A. Toaf, local agent, Philadelphia; A. J. Wohlreich, partner in Stavitsky & Wohlreich, Newark.

Few Took All Examinations

Ninety persons took a total of 206 examinations, but only 15 attempted all five in the series. Institute officials have emphasized the desirability of taking the examinations on the instalment basis and as a result 21 persons took only one examination, 52 two, and two persons three examinations.

Twenty-one universities and colleges were employed as examination centers, but others will be used as need arises.

In addition to the six persons who passed all five examinations, a number of others received credit for passing one or more of the examinations as follows: Part I, 45; Part II, 43; Part III, 7; Part IV, 5; Part V, 3.

Board Elects New Trustee

C. R. McCotter, president Grain Dealers National Mutual Fire, Indianapolis, was elected a trustee for a three year term. A vacancy has existed since the death of J. J. Fitzgerald, former president of Grain Dealers. All officers of the institute were reelected, headed by Dr. S. S. Huebner, chairman; John A. North, president, and Dr. Harry J. Loman, dean.

Indianapolis Mill Suffers Fire Loss of \$350,000

Fire caused an estimated loss of \$350,000 to the building and equipment of the Evans Milling Co., grain milling concern, at Indianapolis Tuesday. Property damage to machinery, building and stock will run about \$200,000, with more than \$1,000,000 coverage, and use and occupancy \$150,000, with \$850,000 insurance. The fire originated in a dryer on the third floor.

War Damage in Chicago

Upwards of nearly 50,000 property owners in Chicago have renewed their war damage insurance in the past month, according to a report of the Chicago Board. It is estimated that four out of five policies that expired on June 30 have been renewed in the past 30 days.

Washington offices of the R.F.C. report that on last Dec. 31, \$4,374,891,000 insurance had been issued to Chicago property owners against only \$1,112,830,000 for the rest of the state. These amounts of insurance were contained in 67,953 policies issued to Chicagoans and 26,703 for the rest of the state, giving Illinois a total of 94,656 policies.

"Chicago with scarcely a third of the state's total realty wealth," President W. M. Sheldon pointed out, "has purchased nearly four times as much war damage insurance to protect the home front as all the rest of the state." Realty tax fixtures furnished by the city and state tax assessors' office reveal the realty tax valuation for Chicago to be \$1,354,300,000, and \$3,861,400,000 for all of Illinois.

Issue Over First Loss Quake Cover

Some Members of the Pacific Board May Be Penalized

SAN FRANCISCO—Members of the Pacific Board, it is stated, will be fined \$13,500 for writing first loss earthquake insurance on the California properties of a large oil company if the organization follows the recommendation of Manager S. L. Carpenter. It is stated that before the subject is finally decided it will be considered by a meeting of the entire membership.

Following the earthquake at Long Beach in 1935, this oil company purchased \$4,500,000 earthquake cover on the so-called first loss basis rather than on the published rate basis, which requires deductibles of 5, 10 and 15% of the value of property insured, depending on construction. A number of companies writing the business assumed that the Pacific Board had waived jurisdiction over first loss earthquake insurance, inasmuch as it consistently declined to rate such coverages. Companies writing the business are said not to have submitted their first loss quake dailies to the board for examination. The business has been steadily renewed ever since 1935 and no losses were reported by the companies.

New Constitution Adopted

A year ago the Pacific Board adopted a new constitution providing heavy penalties with fines up to \$2,500 for violation of the rules and one of the companies asked the board for a ruling as to whether or not it assumed jurisdiction over first loss earthquake insurance. The executive committee announced that it did assume such jurisdiction and demanded that all companies writing this risk submit their dailies. When these were submitted Manager Carpenter recommended fines totaling \$13,500, plus further penalties of cancellation and barring future writing of the business by the offending companies for the next three years.

Ohio Action Taken in Issue Over Part-Time Agents

Alleging that the Ohio department has refused to license George C. Lewis, an employee of the Youngstown board of education, and S. S. Stechschulte, an employee of the Westinghouse Electric & Manufacturing Co. at Lima, as part-time agents, because their employers have refused to let them receive callers, answer telephone calls and leave their places of business to service policyholders, Farm Bureau Life and Farm Bureau Automobile have filed suit against Superintendent Crabbe to prevent him from enforcing his part-time ruling. Some time ago Farm Bureau Life and two other insurers filed suit against the department to prevent enforcement of the part-time order, but a restraining order was denied. No agents who had been refused part-time license were named in the petitions.

Enforcement of Renegotiation

In an order to renegotiation agencies of the war and navy departments, Under Secretary of War Patterson and Under Secretary of the Navy Forrestal have warned them not to permit contractors to seek to postpone or delay renegotiations in the hope that Congress may amend the renegotiation statute. The law still stands, the warning stated, and there is no prospect of the passage of any amendments in the near future.

Excess Affects "Net Retention," U. S. Court Holds

Union Mutual Fire Wins Case Involving Tacoma Bridge Loss

Judge Bowen of the federal district court in Washington has defined the term "net retention" in a reinsurance treaty, in a case involving Northwestern Mutual Fire and Union Mutual Fire. The court held that the excess of loss policy which Northwestern had with London Lloyds on its insurance of the Tacoma Narrows bridge definitely affected Northwestern's "net retention." Because of this, the court held, the amount of reinsurance offered by Northwestern to Union Mutual Fire was \$32,000 rather than \$50,000 under the terms of their reinsurance treaty which provided that Union should accept on a risk no more than the amount retained by Northwestern "net without reinsurance."

Under the Tacoma Narrows Bridge settlement, Union Mutual Fire paid \$26,897 to Northwestern instead of the \$38,461 which Northwestern claimed was due on the basis of \$50,000 reinsurance. This was approximately 77% of the amount of direct insurance written upon the bridge, in accordance with the settlement agreed upon with the Washington toll bridge authority by the various direct insurers.

Northwestern Sues for Difference

Northwestern then sued Union Mutual for the difference, contending that under the usages and custom of the insurance business the term "net retention" or the term "amount retained net without reinsurance by the reinsured company at its own risk and liability on the same property reinsured by the said reinsured company with the reinsuring company" does not include and has no application to any catastrophe excess insurance, and that the latter is not considered in arriving at the net retention.

Article 8 of the reinsurance treaty between the two companies provided that Northwestern should not cede Union Mutual on one risk more than \$25,000 nor the amount retained net by the ceding company.

The court said that the terms of this article "are plain, clear and unambiguous and do not permit of modification, amendment or interpretation by extensive evidence." It further said that "in any event, under the customs and usages of the insurance business and in the insurance world, the term 'amount retained net without reinsurance by the reinsured company at its own risk and liability on the same property reinsured by the said reinsured company with the reinsuring company' as used in article 8 of the treaty, does include and does apply to excess of loss reinsurance."

"P. M. L." Indicated One Risk

Because the maximum under the reinsurance treaty was \$25,000 and Northwestern wanted to cede more than that on the Tacoma Bridge risk, it asked Union Mutual to accept \$50,000, stating it was retaining that amount, and Union Mutual wired its authorization. At the trial Northwestern introduced testimony to support its contention that the term "P. M. L.," probable maximum loss, which it used in its telegram to Union Mutual, indicated two risks. However, the court found in favor of Union Mutual on this point.

(CONTINUED ON LAST PAGE)

NEWS OF FIELD MEN

McGuy Detroit Manager for Corroon & Reynolds

Corroon & Reynolds have appointed T. C. McGuy as Wayne County manager in charge of the Detroit office, with headquarters at 708 Transportation building. He succeeds Arthur Cox, resigned. Mr. McGuy has had home office as well as field training in fire insurance.

J. A. Mosher, former Iowa field man, has been transferred to Detroit, as assistant to Mr. McGuy. Leo D. Anderson continues in charge of western Michigan with headquarters at Grand Rapids.

Hendrickson Is Nearing 25 Years with the Home

On Sept. 1, C. U. Hendrickson of Omaha, state agent of Home, will celebrate his 25th anniversary with the company. He was born in Oronogo, Mo., and one of his first jobs was as express messenger with the Adams Express Company. He left to operate a local agency at Webb City, Mo. In 1909 he went to Omaha as state agent of Hanover Fire and became associated with Home in 1918 as special agent, being appointed state agent about a year later. He married the former Louise Marr, daughter of the late E. D. Marr, veteran state agent of New York Underwriters and past most loyal grand gander of the Blue Goose elected in 1921. Mr. Hendrickson is a past most loyal gander of the Nebraska Blue Goose. He is a director of the Hattie B. Monroe Home for Crippled Children at Omaha.

L. B. James Endeavoring to Return to Field Work

L. B. James, 727 Maple street, Manchester, N. H., former Michigan state agent of the Hampshire Fire, who has been connected with the New Hampshire Navy Yard, found his connection there terminated because he did not come under civil service. He was connected with a private contractor who was doing work for the navy yard but all contract jobs have been eliminated. Hence Mr. James is eager to return to the field. He grew up in the underwriting department at the home office of the New Hampshire. He traveled for the company 12 years in Michigan.

Stanley Glens Falls Special

Claude M. Stanley, 18 years with the Pacific department of Glens Falls, most of the time in the survey department, has been appointed special agent, assisting Manager Walter Herzer in the San Francisco metropolitan department.

Myers in Indiana Field

Martin E. Myers has been appointed special agent for the American in central and southern Indiana assisting State Agent George R. Pritchett. His headquarters are at 616 Chamber of Commerce building, Indianapolis. He has had considerable experience in the field in Indiana including some time with the American. He was formerly a local agent.

McFarland with Manufacturers

F. B. McFarland has been appointed special agent of Manufacturers Fire of Philadelphia for eastern and central Pennsylvania. He has had a long experience in field work.

Special Agent Reassigned

Howard T. Hardy, special agent of Travelers Fire, San Francisco office, has been released from military service and reassigned to that office.

Pacific Northwest Field Rally in Portland July 30

The mid-year meeting of the Special Agents Association of the Pacific Northwest is slated for July 30 at the Benson Hotel, Portland. Prior to the joint session there of the Oregon and western Washington divisions, Seattle field men held a conference in Seattle July 26 to discuss local matters.

The Portland program calls for a business session in the morning, at which reports will be given by H. C. Rowles, vice-president western Washington division, and J. D. Hurley, vice-president of the Oregon division, followed by a golf tournament and a banquet.

H. B. Murray, Aetna Fire, is president of the Western Washington division and Lou Centro, St. Paul group, heads the Oregon division.

Notten in Army; Morris to Ia.

Al H. Notten, Iowa state agent of North British, has been inducted into the army at Camp Dodge, near Des Moines. He is succeeded by H. F. Morris of Fargo, N. D., who has been traveling North Dakota and part of Minnesota for North British.

Minn. Grand Nest Delegation

Thomas G. Linnell, grand supervisor, and a delegation of three will represent the Minnesota Blue Goose at the grand nest meeting in Colorado Springs. Besides Mr. Linnell the Minnesota delegation will include E. F. Holloran, Hartford, most loyal gander; Fred Dorman, Crum & Forster, and John E. Jackson, Home, who will present Minneapolis' bid for the 1944 grand nest meeting.

Start Texas Inspection Work

At a meeting of the Alamo Blue Goose in San Antonio, S. A. Dunn told of a visit to the South Texas pond, Houston, and of a fire inspection trip made to a neighboring town upon the invitation of the city officials. He suggested that this service might be offered to some of the towns in the San Antonio territory, stating that this is one way the field men can render a real service and promote the war effort.

Lovett's Field Extended

P. D. Cousineau, state agent in southern Indiana for the Pearl, joins the army on August 6. His territory will be taken over by Carl B. Lovett, Cincinnati, state agent in central and southern Ohio and Kentucky for Pearl. Mr. Lovett will add to his territory the 49 counties in southern Indiana which composed Mr. Cousineau's territory.

Of the 569 recommendations made in 206 inspections by the 37 members of the Kansas Fire Prevention Association, attending the inspection of Junction City, 55% were corrected before the follow-up was closed.

The annual picnic of the Seattle Blue Goose will be held at the Lake Washington home of Mr. and Mrs. Roy Nelson Aug. 1. The ladies auxiliary served as hostesses at a tea for men in service.

Agnew Denies Reports He Will Succeed Caminetti

SAN FRANCISCO—Persistent reports that Frank J. Agnew is to be appointed insurance commissioner of California, succeeding A. Caminetti, Jr., whose term expired June 20, but who is still serving, have brought forth emphatic denial that he is interested in the appointment. Mr. Agnew, who is in charge of public relations for the Na-

tional Board in eight western states, and who has been singularly successful in his work, states that he would not under any consideration accept the appointment.

80-20 Form in Oklahoma

The 80-20 collision form that is being put into effect in other states of the country will become effective in Oklahoma as soon as the revised rate manual is ready for distribution, according to L. E. Antene, manager of the Oklahoma Inspection Bureau. The revised manual is in the hands of the printer but publication is being delayed by congestion of business in the printing plant. The new form has been approved by the state insurance board.

Cincinnati Plaque Presented

CINCINNATI—The Cincinnati Fire Underwriters Association presented the winning team of volunteer auxiliary firemen with a plaque after a demonstration and contest of water pumping and hose laying held on the water front levee this week. The demonstration was arranged by Safety Director Schraffenberger. Carl Kleve presented the

plaque for the Cincinnati Fire Underwriters Association.

Mont., Utah, and Idaho O. K. New N. Y. Fire Form

Insurance commissioners in Montana, Utah and Idaho have given approval to use of the new New York standard form fire policy effective March 1, 1944. Companies so desiring may use the form prior to the mandatory date. It is expected that Nevada will approve the form next week.

Samuel J. Golomb, burglary underwriter in the western department of Hartford Accident, Chicago, the past three years, reports for service in the army Aug. 12. Mr. Golomb was with Aetna Casualty in Cleveland as an agent before going with Hartford. He is a graduate of Ohio State University, where he majored in insurance, and has just passed his Illinois bar examinations.

S. B. Komaiko, head of the Chicago agency bearing his name, has been appointed a deputy of the Red Cross blood donor service in Chicago and will solicit blood donations from fraternal and religious organizations.

FOR FIRE AND CASUALTY MEN ONLY!



What is a "Pick-up"?

No, it's not what you're thinking! "Pick-ups", we say, are sales that are "naturals." And life sales are "naturals" for you, we say. Figure it out. Take your present clients. Somebody sells 'em. They're buying their share. We say we can get commission dollars for you. You've got the 'in'. We'll help you sell. There's nothing complicated about it. Let us show you how to get results! Drop a line to Rolland E. Irish, president.



UNION MUTUAL
LIFE INSURANCE COMPANY

Portland **MAINE** Home Office

Yacht Losses Are Promptly Paid

The marine department of Automobile and Standard Fire of Hartford set a new record for prompt payment of claims. In a fire the night of July 20 at a boatyard in Portland, Conn., between 70 and 100 yachts and motorboats with a total insurable value estimated at from \$200,000 to \$250,000 were totally destroyed.

Nine of these craft were insured by the Automobile and the Standard Fire for \$24,655 and the losses were paid within 24 hours, while the ashes of these ruined boats were still smoldering.

The fire, which is believed to have started from a short circuit in a shed, quickly spread to a large boathouse and completely ruined this structure, as well as all the boats in it. A number of the boats destroyed in the fire were without any insurance at all. The case of one yacht owner was particularly ironic. Previously, this owner had insured his boat in the Automobile for \$10,000. When he laid it up, however, he failed to have his policy renewed, although on several occasions his agent urged him to cover the boat with a port risk policy.

Among the pleasure craft destroyed by the fire was the cabin cruiser "Phaon" owned by Field Supervisor R. C. Larson of Aetna Casualty.

Case Over Disagreement on Loss from Explosion

The Ohio court of appeals decided the case of Stillpass vs. Fidelity & Guaranty Fire in a disagreement over loss by explosion. In the fire policy under consideration protection was given for loss from "fire arising from any cause whatsoever," and at no place in the contract is there any provision expressly exempting the company from loss occasioned by explosion. On appeal from a judgment for the assured the court declares that it is manifest that there must have been an uncontrolled fire preceding, causing the explosion, as well as some fire resulting directly from the explosion. Since an affirmative provision for protection against explosion generally is not inconsistent with the conception of protection against loss from explosion accompanying or following as a direct result of the fire, the court was of the opinion that the loss suffered was covered by the policy and hence judgment for the assured was affirmed.

The Kemper companies now have 477 employees in uniform. Of this number, 36 are women. More than 33% are commissioned officers and an additional 32% have technical ratings.

WANT ADS

HAVE CAPITAL TO INVEST

Would buy general insurance agency or consider any real business opportunity. In replying, please give full details.

Address S-41, care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

MAP CLERK

Wanted for large Western Department office, outside of Chicago. Write, giving full particulars first letter, draft status, education, etc. All replies strictly confidential.

Address S-45, care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CLAIMS ATTORNEY AVAILABLE

Thoroughly experienced all lines including investigation, office end and trial. Draft exempt. Prefer connection with substantial general law office having claims service department. Will consider any reasonable arrangement or type of work to start, providing right opportunity exists for advancement through personal initiative, etc. Address S-50, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

Convention Dates

Aug. 2, Texas Association of Mutual Insurance Agents, Fort Worth, Texas Hotel.

Aug. 15-17, West Virginia Association of Insurance Agents, Fairmont, Fairmont Hotel.

Aug. 20, Oregon agents, Portland, Multnomah hotel.

Aug. 23-25, Insurance Section American Bar Association, Chicago, Medinah Club.

Aug. 23-25, International Federation of Commercial Travelers Insurance Organizations, Bigwin Inn, Lake of Bays, Huntsville, Ont.

Aug. 27, Washington agents, Seattle, Olympic hotel.

Sept. 2-3, Minnesota agents, Minneapolis, Nicollet hotel.

Sept. 13-14, International Claim Association, Chicago, Edgewater Beach Hotel.

Sept. 17-19, National Association Independent Adjusters, Chicago, Edgewater Beach Hotel.

Sept. 21-23, Blue Goose grand nest meeting, Colorado Springs, Broadmoor Hotel.

Sept. 21-22, Insurance Advertising Conference, New York, Hotel Roosevelt.

Oct. 7-8, Insurance Accountants Association, New York City, Hotel New Yorker.

Oct. 4-6, National Association of Mutual Insurance Agents, New York City, Hotel New Yorker.

Oct. 10-12, National Association of Insurance Agents, Pittsburgh, William Penn Hotel.

Oct. 29, Iowa Association of Insurance Agents, Des Moines, Hotel Fort Des Moines.

Oct. 26-27, Massachusetts agents, Springfield, Hotel Kimball.

Nov. 15-17, California Association of Insurance Agents, San Francisco, Whitcomb Hotel.

Dec. 5-6, National Association of Insurance Commissioners, midyear meeting, New York City, Pennsylvania Hotel.

Jan. 11-12, National Association of Accident & Health Underwriters, winter meeting, Des Moines, Hotel Fort Des Moines.

La Guardia Signs Ordinance for Extra Fire Safety

NEW YORK—A law providing additional safeguards against fire and panic in places of public assembly occupied by 75 or more persons has been signed by Mayor LaGuardia which is intended to prevent disasters such as the Boston night club fire. It was introduced in city council a few weeks after that fire and was adopted with the incorporation of recommendations made by fire, police, and department of housing and buildings commissioners.

In general, it applies to all places used for recreation, amusement or public exhibition, except as schools, churches, and the like. The law, effective immediately, appears to be even more drastic than the National Board's model ordinance which has been adopted on a state-wide basis in New Hampshire and Florida and in a number of cities.

Mayor LaGuardia said large retail stores should be covered by the same type of legislation and he hoped legislation already drawn would receive the council's attention.

Interstate Risk Survey

A survey of company practices in handling interstate risks has been prepared by the New York department under the direction of S. H. Moss, examiner, and copies have been sent to a number of organizations. It will not be made public until filed for publication.

American Reinsurance Report

The examination report of the American Reinsurance shows assets \$16,424,242, capital \$2,000,000, surplus \$6,831,692. Loss reserve reported by the company was \$1,019,064 more than the examiners' valuation of \$4,326,628. There was a gain of \$1,415,519 in surplus due to the decrease in loss reserve and other adjustments made by the examiners.

The "A B C's of Wartime Driving" helps sell auto insurance. Write National Underwriter for samples.

WDC Clarifies Computation of Return Premiums

In response to inquiries, the War Damage has advised fiduciary agents that where both additional coverage and cancellation endorsements are effected on the same date, the amount of additional premium or return premium may be determined by offsetting additions and cancellations against each other, and computing the premium adjustment on the amount thus obtained, using UDC form 14.

Change in Coinsurance

In cases of readjustment of coverage by change in the coinsurance clause, the premium adjustment may be determined by obtaining the difference between the new rate and the old rate on the original coverage for the unexpired period, and subtracting or adding such amount from or to the gross premium on the new coverage added, using form 14.

If, under either of these circumstances, there is a return premium, the return should be computed on a net pro rata basis. Fiduciary agents are authorized to adjust any transactions computed on a basis other than the foregoing.

Notwithstanding Regulation A that buildings or structures of fire-resistive construction "according to fire insurance

Migration of Day Makes Work for Brokerage Units

Brokerage department supervisors say that due to the migration within the country attendant upon war activity, they are getting a great increase in small household furniture business and other personal lines. This is creating quite an increase in the detail work of the brokerage departments but the average premium is small and the work, from the company standpoint, is looked upon largely as an accommodation and good will builder. Men and women in great numbers are moving their lares and penates to new locations, as they go into government work or are shifted into some activity related to the war effort. Many of these persons give an order to their local agent in the place from which they are moving to arrange their insurance at the new location and these orders are coming through company brokerage departments in very large numbers today.


standards" shall be classified as construction code 01, it has been determined that underground publicly or privately owned utilities, such as sewers, gas and water mains, shall be classified under construction code 02.

INSURANCE agents are today facing an unparalleled opportunity to provide adequate protection for industries, properties and homes. Here are several contributing factors:


New policies plus revisions in old contracts now make it possible to present broader coverage at little if any increase in cost to the assured. And at a time when losses can disrupt wartime activities more people than ever are alert to the advantages of insurance protection!

Along with the War, changing conditions have created new needs for insurance. Increased income has brought the premium costs of policies within reach of the majority of people.

The complete facilities and valuable experience of the Providence Washington and Anchor organizations are always available to assist your operations in every possible manner.




Providence Washington
INSURANCE COMPANY
INCORPORATED 1799



Anchor
INSURANCE COMPANY
INCORPORATED 1928

PROVIDENCE • RHODE ISLAND
Both Companies Write
FIRE, WINDSTORM AND ALLIED LINES • OCEAN AND INLAND MARINE
ALL RISKS • AUTOMOBILE • COMPREHENSIVE, FIRE, THEFT AND COLLISION



Chicago Fire Premium Figures Are Reported

A substantial number of companies have reported to the Chicago city controller their net fire premiums for the fiscal year ended June 30. While many companies show little change, or even a slump, others show substantial increases. Figures reported in the last week as compared to totals for the fiscal years ended June 30, 1942 and 1941 are:

STOCK COMPANIES			
	1943	1942	1941
Amer. Alliance.	63,173	56,656	39,478
Amer. & For....	9,784	20,459	27,276
Amer. Drug....	41,947	41,947	41,183
Assoc. F. & M..	9,531	4,712	76
Br. & For. Mar..	945	1,161	2,222
Birmingham, Pa.	36,751	58,968	75,121
Camden.....	79,969	71,870	44,303
Charter Oak....	41,126	16,285	14,818
Commerce.....	25,787	24,515	13,991
Com. Un. Assn..	126,310	124,680	90,302
County Fire....	7,615	8,036	4,833
Farmers, Pa....	28,912	16,582	22,138
Eagle Star....	85,248	66,741	55,953
Excelsior.....	6,473	5,816	3,602
Fire Assn.....	151,861	112,080	131,596
Employers.....	91,800	59,004	49,446
Franklin Nat..	23,590	34,992	39,358
Great American	193,116	189,261	170,445
Glens Falls....	170,799	178,617	168,774
Gulf.....	18,463	21,976	18,779
Kan. Cy. F. & M.	1,396	1,485	2,645
Law, U. & Rock	79,846	71,132	65,141
Lond. & Lanc..	163,441	146,826	119,272
L. & L. G.....	227,272	195,212	162,202
Lond. & Prov..	18,004	21,039	14,555
Lumberman, Pa.	24,254	30,340	24,620
Mass. F. & M..	39,186	21,061	18,480
Merchants, Colo.	7,368	9,611	5,847
Mech. & Trad..	59,033	54,413	16,953
Mt. Beacon....	111	1,010	217
National, Conn.	414,115	381,648	385,732
Nat. Union....	132,561	108,698	88,878
Newark.....	59,159	64,125	49,651
N. W. Nat.....	357,664	347,935	318,371
Ohio Farmers..	14,546	15,423	16,654
Orient.....	136,419	137,886	114,731
Phila. Nat....	17,342	17,508	13,344
Phoenix Assur..	110,272	107,050	82,815
Queen.....	123,834	98,663	88,392
Reliance.....	46,305	42,418	32,673
Rhode Islan..	59,090	82,366	173,681
Roch. Amer..	8,485	10,123	6,681
Royal.....	319,297	221,130	205,653
Safeguard.....	40,574	37,706	33,055
Seaboard.....	32,650	36,754	29,841
Standard Mar..	5,530	13,550	23,050
Standard, N. J.	33,192	43,169	37,574
Star.....	41,736	59,184	45,379
Transcont....	55,844	18,409	9,899
Travelers.....	258,555	171,183	157,124
*Utah Home....	7,657		
Yorkshire.....	98,242	75,197	46,827
Zurich Fire....	2,468	1,923	2,246

MUTUALS			
	1943	1942	1941
Automobile Mut.	1,445	1,403	1,529
Badger Mut....	50,038	43,422	43,010
Hdw. Deal., Wis.	35,711	38,247	38,643
Iowa Hdw.....	1,107	495	1,495
Lumber, Mass..	17,667	16,509	11,639
Lumbermen's, O.	18,811	17,908	12,337
Mfrs. Mut., Pa.	16,304		
Mfrs., R. I....	81,345	86,134	12,193
Market Mens..	6,083	5,423	6,386
Millers, Pa....	8,513	6,080	3,628
Mut. Impl. & H.	31,319	34,904	34,835
Ohio Mutual....	369	409	312
United, Mass..	99,213	111,699	64,716
West. Mill., Mo.	43	2,685	1,815
What Cheer M.	994	1,950	3,672
Workmen's, N.Y.	11,201	11,004	10,596

EXCHANGES			
	1943	1942	1941
Und. Exch., K. C.	2,271	3,912	1,055

*First report in Chicago.

Protest Including Overtime in Ga.

Stonewall Dyer, chairman, and Frank Forrester of the Georgia state workmen's compensation board, have vigorously protested to Governor Arnall against the practice of charging compensation premiums based on full payrolls which include wages of overtime at 1½ times to twice regular wages. In a letter to the governor, 1942 compensation premiums in Georgia were given as \$4,246,533 and losses paid (estimated) as \$1,762,438. The loss figures, however, do not take into account reserves set up by the companies for awards made in 1942 payable in the future.

Leonard with Firemen's in N.Y.C.

J. D. Leonard, formerly with New York Underwriters and Aetna Fire in New York City, has been appointed special agent by Firemen's of Newark at its 59 John street branch.

Mrs. Leon B. Temple, wife of L. B. Temple, special agent of North British at Baltimore more than 40 years, died at her home there. Services will be held July 29 at 2 p. m. at W. J. Tickner & Son funeral parlors, North street and Pennsylvania avenue, Baltimore. Omission of flowers is requested.

Court Holds That Specific Policy, Not Floater, Pays

An interesting case involving the question of liability as between a specific fire policy and a floater policy has been decided by Judge Moscovitz in the U. S. district court for the southern district of New York. The court held that where there are specific and floater policies, both containing similar "other insurance" clauses, the specific policy is the primary insurance on which liability must be imposed.

The Ming Toy Dyeing Co. had a severe fire loss at its Haledon, N. J., plant in 1939. Among the merchandise was some of Mill Factors Corp., each of whose shipments of merchandise to the Ming Toy was accompanied by a memorandum containing a provision that title to the merchandise remained with Mill Factors Corp. and that the dyer assumed full responsibility to Mill Factors until the merchandise was returned to the latter's premises. Ming Toy executed a receipt on each shipment under which it agreed to assume responsibility for the merchandise.

"Other Insurance" Issue

Ming Toy had North America issue a certificate of insurance to Mill Factors, allocating \$40,000 of coverage to the property of Mill Factors while on the Ming Toy premises. After the loss North America denied liability to Mill Factors, arguing that it was exempt from such liability because of "other insurance" clauses in its policy which made the Fidelity & Guaranty Fire, insurer under a floater policy issued to the Mill Factors, responsible for the loss.

F. & G. Fire advanced to Mill Factors \$5,140, the amount of the loss, under a loan receipt and then sued in the name of Mill Factors, its assured, making both Ming Toy and North America defendants. The North America then brought in F. & G. Fire as a party defendant on the ground that liability should rest on it.

The court held that in substance the action was one by F. & G. Fire to recover from the bailee's insurance company the amount which F. & G. Fire paid to the bailor, making the controversy essentially one between two insurance companies.

N. A. Policy Limitations

Contained in the North America policy was a condition limiting coverage under the policy to those instances where the bailee was in fact liable to the bailor. In this connection the agreement of bailment between Mill Factors and Ming Toy provided the latter agreed to "assume full responsibility" to the former for the goods until returned to Mill Factor's premises, the court said.

North America urges that this language was not adequate to expand the obligation of Ming Toy beyond that of an ordinary bailee. Consequently since Ming Toy was not negligent, no obligation arose on this policy. The North America's position is essentially that "responsibility" or even "full responsibility" is not equivalent to "liability."

The court stated that Ming Toy was liable for the loss and accordingly its insurer is responsible unless it is to escape it some other way.

North America also sought refuge behind a clause in its policy limiting coverage in cases where other insurance exists to the amount by which other insurance is insufficient to cover the risk. Both policies concerned in the case contained such clauses. If taken literally, the court said, neither would afford coverage. Such a result was never intended. Consequently, the issue is which of the two policies should bear the loss.

Since careful comparison of the two policies afforded no obvious reason for exempting one or the other from bearing the risk, the court concluded that the F. & G. Fire policy was a general one to cover damage wherever the goods

might be. On the other hand when the goods were shipped to Ming Toy full responsibility was placed on Ming Toy and to meet this responsibility the North America wrote insurance specifically covering the goods at the Ming Toy location. The North America, moreover, issued a certificate of insurance to the plaintiff evidencing such insurance and making the plaintiff the beneficiary.

Faced with the choice between making the specific or floater policy bear the loss, clearly the burden must fall upon the former, the court said.

The court held that the bailee-dyer accepting merchandise under a receipt agreeing to assume full responsibility is responsible, despite the fact that damage was caused by fire and there was no negligence.

Meaning of Word "Limited" with Foreign Companies

Question—What does the term "Ltd." signify? I see it often in connection with foreign insurance companies and other corporations from abroad.

Answer—The term "Limited," used in connection with the titles of the great majority of British insurance companies, is the equivalent of "incorporated" or "Inc." common in this country, and means that shareholders may not be held liable for losses of an institution beyond their individual stock interests. British companies incorporate under an act of parliament and file annual financial statements with the Board of Trade. Companies not using the term "limited," as part of their corporate titles thereby serve notice that their shareholders are responsible for obligations of the concerns up to the limit of their private fortunes, just as are partnerships and those conducting business as individuals on this side of the water. In the United States use of the abbreviation "Inc." in titles of many institutions and agency offices proclaims that the liability of shareholders is restricted to the extent of their stock investment.

Blowout Accidents Are Anticipated This Summer Due to Worn Down Tires

The Travelers anticipates quite a number of accidents caused by blowouts during the warmer weather. A blowout usually means that the driver loses control and the car is no respecter of property or person. The Travelers states that tires on many cars are wearing down to the fabric. Neither replacements nor recaps are available in such cases. Yet the owners keep them in service as long as possible. The company finds hot pavements and road friction can be expected to build up internal pressure greater than those worn out shoes can stand. Some of them, it prophesied, will occur at inopportune moments.

It not only means that automobile owners should protect themselves by ample personal liability and property damage insurance but also they should carry personal accident insurance and automobile medical payments on the occupants of the car. During these days full protection is certainly to be desired.

Find Some Agents Are Not on Their Toes

One of the chief underwriters in a fire insurance office remarked that he was surprised to see the number of daily reports that come through from year to year on the same property without any consideration being given to fluctuation of values. The same amount of insurance is carried. Evidently there has been no reappraisal even in a rough way to show whether the protection is adequate or not. Nothing seemingly is done toward protecting the assured against further hazard. Replacement cost does not enter into the renewal of such policies. The same kind of policy is written regardless of more comprehensive forms being used.

Weigh Threat of 48-Hour Week Nation Wide

NEW YORK—The Research Institute of America, in a special manpower analysis just issued, predicts that the 48-hour week may soon be extended on a nation-wide basis and that employers who feel that a 48-hour week would merely result in an added burden of overtime payments without any advantage to the war effort and the conservation of manpower should seek exceptions, since it is not the intent of the war manpower commission to compel an increase in hours which does not result in a more effective utilization of labor.

The 48-hour week problem has already faced insurance companies in the critical employment areas.

Where employers feel that the 48-hour week would add nothing to the war effort they can write the area director of the WMC, explaining the circumstances fully and asking for an exception.

"Your case is helped by a showing that you are operating on the longest feasible work week and that you have taken all possible steps to cut down on manpower consumption," the Research Institute advises. "If your request is granted the director will specify what your minimum wartime work week is to be."

L. M. Cherne, the institute's executive secretary, said that it is dangerous to assume, as many do, that we will soon be over the manpower hump. His opinion is that "you can expect our manpower problems to increase for the duration and to extend for at least one year after the armistice."

Mr. Cherne bases his prediction on the following: Demobilization of the armed forces is likely to be extremely slow, and a standing army of considerable magnitude will remain for years beyond the armistice. On the home front there are encouraging indications that a substantial portion of industrial enterprise will be equipped for the conversion to production of civilian goods.

New York Mutuals Elect

The Association of New York State Mutual companies at its annual meeting elected Thomas H. Silver, president Lumber Mutual Casualty, as president to succeed C. W. Brown, president Merchants Mutual Casualty, Buffalo. Charles E. Morrison, vice-president and general manager of Utilities Mutual, was elected to the governing committee to succeed Howard G. King, president of Jamestown Mutual.

The "A B Cs of Wartime Driving" helps sell auto insurance. Write National Underwriter for samples.

BUSINESS NEED NOT "FLY BLIND"



Our services chart a safe course through problems involving property insurance protection.

The AMERICAN APPRAISAL Company
CONSULTANTS IN PROPERTY ECONOMICS

AS SEEN FROM CHICAGO

SHANNER JOINS SAM LEVIN

Sam Levin, well known Chicago insurance attorney, has taken into his organization Wendell H. Shanner, who has been associated with the law firm of Angerstein & Angerstein, specializing on workmen's compensation and other forms of casualty insurance. Mr. Levin has devoted most of his time to fire insurance and allied lines. He will continue in that direction and Mr. Shanner will handle the casualty clients. Mr. Levin is chairman of the insurance committee of the Chicago Bar Association. He will open his new offices in 1359 Continental-Illinois National Bank building, Aug. 2, and will keep open house that day. While both men will specialize on the lines named there will be no sharp dividing lines.

Attorney Levin's office has been located in the Borland building for 12 years and he has been in insurance law practice in Chicago for more than 20 years. He represents many companies and does a general insurance law practice in fire, casualty and surety lines.

BATES GOES WITH HITKE & CO.

Howard Bates, formerly of the Shay Employment Agency and then an independent broker in Chicago for some time, has been appointed agency manager of the Kurt Hitke & Co. general agency of Chicago. In this capacity he succeeds E. H. Rieke, who has become agency manager of Highway Mutual Casualty. Mr. Bates previously was connected with Kurt Hitke in the insurance business, having been a branch manager in Michigan.

He is a veteran in the fire and casualty business at Chicago. He started with the old firm of Law Brothers, western managers of Royal, as map clerk, and after some experience went with the western department of North America. Later he was connected with Calumet Fire and then was associate manager of the Chicago office of American Automobile when that was organized. Thereafter he concentrated more on the casualty end of the business.

MONTGOMERY IN CHICAGO SEPT. 1

V. L. Montgomery, manager of the Cincinnati service office of North America, will be in the Chicago office Aug. 1 for a short while, and then will take over officially Sept. 1 as Chicago service office manager. He succeeds R. G. Osgood, who goes to the home office as fire secretary.

DEMAND FOR CONTINGENT U. & O.

There seems to be a brisk demand for contingent use and occupancy coverage from firms that have gotten their regular U. & O. account in good shape insurance-wise. Manufacturers whose operations depend in varying degree on the supplying of parts or materials by other concerns now are buying protection against the loss in profits that

would result if such concerns had a loss. The disposition of insured today is to protect himself against any possible interruption of earnings, which are unusually good. Most of the contingent U. & O. going through is at the higher rates which give protection for shut down due to inability to secure priorities following a loss.

Stokes, Knauer & Krauspe of Chicago, agency of General of Seattle group, has changed its title to **Ralph D. Stokes & Co.**

Interpretation of Terms of Sprinkler Leakage Policy by Higher Court

The Louisiana supreme court reversed and remanded the decision of the lower court in American Manufacturers Corporation vs. National Union Fire over the construction of terms of a sprinkler leakage policy. The assured was engaged in manufacturing, storing and selling women's garments in New Orleans. It brought the suit for \$2,225.89, alleging as a cause of action that the company issued to it a policy insuring it against all direct loss and damage by "sprinkler leakage." The face amount of the policy was \$52,500. The company denied liability on the ground that the plaintiff's loss was not covered by the contract, its special defense being that the policy contained the following clause: "This company shall not be liable for loss or damage caused directly or indirectly by * * * fire, lightning, cyclone, tornado, windstorm * * *"

Feed Pipes Damaged

The feed pipes carrying water from the city mains to the plaintiff's sprinkler system were attached to the roof of the building. When the roof was blown off by a tornado the feed pipes broke, causing the damage for which the concern sought recovery.

The court ruled that the damage was not covered by the policy. Contrary to the plaintiff's contention the court held that the "hazards not covered" clause related back to the phrase "except as herein provided" written into the policy immediately following the coverage clause. No other meaning could be reasonably attached to it, the court held. The court also held that the words, "caused directly or indirectly" as used in the "hazards not covered" clause modified each hazard mentioned. The policy was not ambiguous and an interpretation most favorable to the assured was not necessary, the court held.

Interesting Decision in West Virginia Is Based on "Iron Safe" Clause

The fourth U. S. circuit court of appeals upheld judgment of the federal district court in the case of Dr. Boyd Dickerson vs. Franklin National, although a jury in the lower court had returned a verdict of \$1,485 for the plaintiff.

The defendant insurer, following the jury verdict, moved for a judgment "non obstante veredicto"; that is, disregarding the jury verdict. The trial judge allowed the motion on the grounds that "the evidence adduced by the plaintiff was insufficient as a matter of law to show compliance with the 'iron safe clause' of the policy," and that the plaintiff violated the condition and warranty in the policy with reference to fraud and false swearing. The loss involved the burning of lumber in saw mill yard in Monroe county, W. Va.

In upholding the lower court, the appellate court held that the judgment was properly entered on the first ground stated by the trial judge, that is, that the evidence failed to show

compliance with the "iron safe" clause of the policy which provided for complete itemized inventory of stock on hand at least once a year, and the keeping of a set of books to show business transacted from date of inventory. This clause was unquestionably breached, the court said, and added that while oral testimony is admissible for the purpose of explaining the entries, it may not be received to supply omissions, for this would nullify the provisions of the policy.

A. H. Ballard represented the plaintiff, and W. E. Miller and W. A. Stuart the insurer, with Forrest Roles, Stanley C. Morris, and Steptoe & Johnson, Charleston, W. Va., on brief.

Opportunity for Inventor

In view of the present situation where girls are being used for map clerks and assistant examiners, one official makes the suggestion that there should be an entirely new setup for maps. The present system is having maps in separate drawers that could be remedied in his opinion if a system much like is found in some hotels where there are a number of telephone directories. They hang down and they can be pushed up with ease and spread on a desk. He believes that a system can be devised similarly for maps where they can be hung in such a way that they can be easily pushed up on a desk thus eliminating the necessity of lifting them. The fact that girls have to lift the maps militates against their being employed for this service.

Dean Lightfoot of Peoria, Ill., special agent of Springfield Fire & Marine, has

Bailor's and Bailee's Policy Involved in a Suit

The New York supreme court, appellate division, 1st department in Gordon et al vs. Franklin Fire et al held against the contractors' companies. Plaintiffs were the owners of material which had been placed with a subcontractor, Waldman & Kellner, to make into pants. While in the latter's possession the pants were damaged by fire through no fault of the contractor. Plaintiffs carried insurance which covered their goods while in transit and while in the hands of a contractor, which provided that the policy should not cover any goods in the hands of a bailee which had insurance which would attach if this policy had not been issued.

The contractors carried policies which provided that they would not cover property otherwise specifically insured. The court in construing the two policies held that the plaintiff's policy did not "otherwise specifically insure" the damaged property since it did not specify the particular material nor the location. Since the insurance carried by the contractor was sufficient to cover the loss, the higher court held, the excess coverage provided by the plaintiff's policy did not become effective. Judgment was rendered against the contractors' insurance.

joined the army and was inducted into the service in Chicago. He was formerly Iowa special agent of the company.

Successful agencies use the **Insurance Buyers' Digest** for promoting new business. Write The National Underwriter for samples.



Prompt Accident Report

ORDINARILY accidents are not reported as promptly as the illustration indicates. Yet American companies with properties abroad require the same prompt attention on their foreign interests as they receive in this country.

Through AIU—foreign managers for a number of American companies—practically every type of casualty and inland marine coverage, as well as fire and allied lines, can be secured to protect such foreign risks.

Advantages which accrue to the client include payment of losses in American dollars... direct adjustment under uniform conditions and terms... prompt settlement without long-distance negotiation.

Through the facilities of AIU, brokers and agents can now handle efficiently the insurance programs of their clients with interests in foreign lands.

AMERICAN INTERNATIONAL UNDERWRITERS CORPORATION

111 John St., New York • 340 Pine St., San Francisco
Havana, Cuba • Bogota, Colombia, S. A.

Representatives in Key Cities Throughout the World



SPECIAL AGENT

Here is a man 39 with a good company and agency fire and marine background. Pleasant personality.

FERGASON PERSONNEL

166 West Jackson Blvd. HAR 9040 Chicago, Ill.

CHASE CONOVER & CO.

Auditors & Accountants
135 So. La Salle Street
Chicago

Telephone Franklin 3868

EDITORIAL COMMENT

Making Haste Slowly

Ranging from the objective to the apoplectic, the advocates of change are always with us. Some are within the business though the more outspoken and impatient ones are usually outside. They are desirable and necessary, for uncomfortable though they may be they cause a lot of people to think who otherwise might successfully avoid the effort. But there is no need for the conscientious, progressive insurance man to feel downcast because insurance seems to be a type of business that moves with sometimes regrettable slowness toward some obviously desirable goals.

In spite of what critics proclaim about the merits of the particular improvements they are beating the drum for, does the general public really want the insurance business souped up, streamlined, putting on a great show, but inevitably creating doubts as to its conservatism? Most people look on insurance as a fiduciary institution and if they had to make a choice they would rather have it run by stodgy conservatives than by innovating geniuses. Henry Ford went broke twice before he hit on the successful formula. This is a

good way to develop a budding industry but when an insurance company goes broke a lot of people get hurt.

Until there is developed a breed of supermen who can be depended upon to move swiftly in the right directions and never in the wrong ones, the public will be better pleased if all changes are made after due deliberation. Critics may grumble but after all the first requisite of insurance is that it be sure. Just let the word get around that the management of a certain company is extremely brilliant and forward-looking, so much so that all sorts of amazing and novel innovations can be expected of it, and there would probably be difficulty in convincing the buyers that it was not also a little flighty. They would be much interested in the innovation—though of course with others as the guinea pigs.

A degree of resistance to change, exasperating though it may seem at times, is probably not only inevitable in insurance but desirable as well. A man may hold fairly unconventional views about many things but he is usually pretty conservative in his outlook on the insurance he buys.

Fire Prevention and the Premium Dollar

In accounting for the premium dollar we very frequently overlook that portion of it which is spent for conservation of property and fire prevention. It would be idle to make a guess as to the percentage of the premium so used because much of the effort is immeasurable. Authorities differ as to the percentage, estimates running from 10% to 25%. The amount expended in fire prevention and the preservation of property which is for the benefit of the assured does not appear in the loss column. It is treated in the financial statements as an expense. In reality it should be a part of amount expended for losses because the honest man would much prefer to pay a premium that is required than to receive the same amount in loss payment. He is not counting losses.

We underestimate the value of fire prevention. It is true that the companies and agents see the value of fire prevention movement but policyholders and the public in general receive after all the greatest benefit. In steam boiler insurance the loss ratio is comparatively small, about 20%. Yet no one complains of steam boiler rates. A large amount of the premium is expended for inspection which means that a boiler

receives attention every year or so. Thus weaknesses are discovered early in the plant.

As a matter of fact the public is not informed as to the extent or the great value of this safety work. People take the total premiums and total losses and then think the fire insurance rates are too high. They do not study the elements in the composition of the premium dollar.

On many fronts fire prevention work is energetically carried on. Let us just look into some of the important agencies that are active in preventing losses. Perhaps there is no greater one than the system of schedule rating. That appeals to an assured's pocketbook. He can spend money for the elimination or minimizing of hazards and get a credit in his rate. That influences him to spend his money. Therefore in everything that he does he is making his risk a better one from a fire loss standpoint. This is going on continually. No other instrument has been devised in fire insurance that has been so potent in results. The credits allowed in the schedule and the penalties for not observing the requirements touch a man on his mercenary side and they work.

The National Board has done a won-

derful piece of business in its town grading system, setting up standards for fire defense and thus encouraging municipalities to take cognizance of the recommendations in order to get a lower basic fire insurance rate. Therefore fire departments, water supply, alarm systems and all features in fire defense have greatly improved and cities have cut down their losses. There is far better fire defense today than ever. Large conflagrations are almost outlawed.

The National Fire Protection Association gives its entire time to fire prevention work. It has its field men visiting various towns, studying fire defense, making recommendations. It deals also with all factors concerned with conservation of property and cutting down fire losses. The Underwriters Laboratories is another institution that has contributed much to fire prevention in that its duty is to pass on materials used in building equipment, on various devices that have a fire prevention bearing and thus standards of workmanship have been raised materially. We have many state fire preven-

tion associations that are making town inspections. The Western Actuarial Bureau has a very militant, aggressive fire protection department.

The National Association of Insurance Agents has a fire prevention committee and the state agents associations have similar committees. Much has been accomplished in municipalities by fire insurance companies insisting on competent electrical inspection. Shingle roofs have been abolished in many places. School children are being educated as to fire hazards especially in the home and prizes are awarded for essays on the subject. Home inspection blanks are given out so that the children can make their own inspection of their homes. Field men and engineers employed by companies are constantly on the road making inspection of various properties and offering recommendations as to what improvements are highly desirable.

In fact, the whole fire insurance industry including all classes of companies is doing a remarkable job in conserving property and removing fire hazards and reducing the loss ratio.

PERSONAL SIDE OF THE BUSINESS

John C. Blackall, former Connecticut commissioner, is enjoying a brief vacation following eight years in that post, in which he has been succeeded by W. Ellery Allyn. No announcement has yet been made in regard to his plans for the future. He spoke Tuesday at a Rotary Club luncheon at Great Barrington, Mass., on "The Effect of the War on Insurance."

Alfred W. Tyrol, secretary of Hartford Fire, was presented a 25-year service pin by President C. S. Kremer. Home office associates gave him flowers and other gifts, as did the Philadelphia office and field men under his supervision. A dinner was given in his honor. Mr. Tyrol served in several capacities in the underwriting department before becoming office manager in 1921. He was elected assistant secretary in 1925 and secretary in 1935. Before going with Hartford Fire, he served 11 years with Orient and later as agency superintendent of Concordia.

Directors of Buffalo, which **H. V. Godbold** of Richmond, Va., has long represented, adopted resolutions extending him congratulations and best wishes on his joint birthday and wedding anniversary celebration but found that the telegraph companies are not accepting such messages and the congratulations had to be transmitted by mail, arriving a day or two late.

O. B. Roberts, Virginia state agent of Hartford Fire, is back in the field after being laid up for a week or more.

Mrs. Marvin L. Wadley, daughter of Mr. and Mrs. **N. K. Nelson**, has presented them with a second grandson, Ronald James, born July 23. Mr. Wadley has been in Australia since January with the armed forces. Mr.

Nelson resides at Topeka and is state agent of the Great American.

T. E. Braniff, head of the T. E. Braniff Company, Oklahoma City, and president of Braniff Airways, has been appointed to the newly organized committee of advisory affairs of the U. S. Chamber of Commerce.

Joseph P. Hershberger, formerly Ohio state agent of Royal, suffered a heart attack recently and will be confined to his home for several weeks. He is now with the Charles G. McCune Co. of Columbus.

Charles G. Kuechler, in charge of class 1 production in Cook county for the North America, and formerly Cook county manager in the western department, and Mrs. Edna Axtell were married recently and are now on their honeymoon.

Robert Farrell, Oregon secretary of state, was in Chicago last week en route home after spending several weeks studying the administration of financial responsibility laws in the east and in Indiana and some other states. The Oregon financial responsibility law goes into effect soon.

Dr. Alfred Manes, since 1936 professor in the Indiana University school of business and recently appointed professor of insurance and economic research, has been assigned as adviser to Dean Gavitt, director of educational work of the armed forces, A.S.T.P., especially as coordinator of the area and language courses of the German and Balkan divisions.

Successful agencies use the **Insurance Buyers' Digest** for promoting new business. Write The National Underwriter for samples.



THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO 4, ILL. Telephone Wabash 2704.

EDITORIAL DEPT.: C. M. Cartwright, Editor. Levering Cartwright, Managing Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor, Kenneth Force.

BUSINESS DEPT.: John F. Wohlgenuth, President. Howard J. Burridge, Vice-President and Secretary. John Z. Herschede, Treasurer.

BRANCH OFFICES

ATLANTA 3, GA.—560 Trust Company of Georgia Bldg., Tel. Walnut 5867. E. E. Hess, Resident Manager.

BOSTON 16, MASS.—944 Park Square Bldg., Telephone Hubbard 8696. R. E. Richman, Vice-President.

CINCINNATI 2, OHIO—420 E. Fourth St. Tel. Parkway 2140. L. H. Martin, Abner Thorp, Jr., and C. C. Crocker, Vice-Presidents. G. C. Roeding, Associate Manager.

DALLAS 1, TEXAS—526 Wilson Bldg., Tel. Riverside 3383. Fred B. Humphrey, Resident Manager.

DES MOINES 12, IOWA—3333 Grand Ave. Tel. 7-4677. R. J. Chapman, Resident Manager.

DETROIT 26, MICH.—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Resident Manager.

MINNEAPOLIS 2, MINN.—500 Northwestern Bank Bldg., Tel. Geneva 1200. R. W. Landstrom, Resident Manager.

NEW YORK 7, N. Y.—123 William St., Tel. Beekman 3-2958. Editorial Dept.—R. B. Mitchell, Eastern Editor; George E. Wohlgenuth, Assistant Editor; Dorothy B. Paul, Editorial Assistant. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Telephone Pennypacker 3706. E. H. Fredrikson, Resident Manager.

SAN FRANCISCO 4, CAL.—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

DEATHS

North British Official
Taken Suddenly by Death

Robert L. Mouk, 57, secretary of the central department of the North British & Mercantile group at its head office in New York City, died suddenly Friday evening at his home in South Orange, N. J. Mr. Mouk was a widower. He is survived by his father, Henry Z. Mouk of Dayton, O., and two sons, Lieut. R. M. Mouk and R. C. Mouk.



ROBERT L. MOUK

Funeral services were held Monday afternoon and interment was at East Hanover, N. J.

Born in the Business

Mr. Mouk was born in the insurance business, so to speak, his father being connected with St. Paul Fire & Marine in Ohio for a number of years. The son's first insurance connection was secretary of the old Montgomery County Underwriters Association at Dayton and after a year or two there he went to Indianapolis to become an examiner for the old German Fire of that city and later traveled for it in Ohio. Three years thereafter he was special agent for the Keystone Underwriters in Illinois and then special agent of the Columbia of Dayton in Ohio.

He became connected with North British in 1917, when he was appointed state agent of the Commonwealth in Ohio. In 1926 he was called to the head office and appointed superintendent of agents in the central department. A year later he was made associate general agent for the then combined central and western departments and afterwards was placed in full charge. A year subsequently he was appointed secretary of the central department.

Mr. Mouk was highly esteemed. He was well known in the Western Underwriters Association, attending its meeting and being a very careful listener. He was a splendid underwriter.

Ben E. Swingley, 63, Youngstown, O., manager of the Western Adjustment for 17 years until he retired three years ago, died from a heart ailment. He sold the city of Youngstown its first motorized fire fighting equipment in 1908, and was a pioneer in the promotion of such equipment.

Burford V. Peterson, 53, who operated an insurance agency in Waukegan from a wheelchair, died at the Veterans' Hospital in Downey, Ill.

George E. McGlauffin, Jr., 52, president and treasurer of the McGlauffin Insurance Agency of Portland, Me., in business there about 20 years, died at a Portland hospital.

Louis G. Lower, who was killed by a guard of the Aircraft Accessories Corporation in Kansas City, following an argument over traffic rules near the

Union Station plaza, from 1936 to 1938 served as secretary of the Marine Underwriters Corporation of St. Louis, an affiliate of Ploeser, Watts & Co. Congressman W. C. Ploeser, who had been a personal friend of Mr. Lower for 20 years, spoke at the funeral services in Kansas City.

Charles G. Walline, 69, past president of the Chattanooga Insurance Exchange, died there after an illness of several weeks. For some time he managed the insurance department of the James R. Chamberlain Co.

John J. Dunn, 40, former claims adjuster with the Loyalty group in Boston, died at Gowen Field, Ida. He had just passed examinations for the officers candidate school in the army air corps.

Bertram M. Neil, 57, head of the Bert Neil agency of Kansas City, died there.

C. B. Santee, 78, local agent at Cedar Falls, Ia., died at his home from a heart ailment.

Ralph M. Butler, 52, local agent at Baxter, Ia., for six years, died there after returning from a Rochester, Minn., hospital.

IN U. S. WAR SERVICE

President George Manzelmann of the North American Accident of Chicago saw his youngest boy, James, start his career in the naval service last week. He had spent a year at Northwestern University. The oldest boy, William, is at Camp Chaffee in Arkansas in the armored division of the army. His adopted son, Arthur Carlson, is in the marine corps at Camp Pendleton, San Diego.

Read H. Gibson, San Francisco manager of New Amsterdam Casualty before the war, is at home on furlough after having served over a year in the Southwest Pacific as a captain in the marine corps.

J. Davis Ewell, Jr., formerly with a Richmond agency, is now a first lieutenant with the intelligence department of the infantry at Camp Butner, N. C. He is the son and namesake of J. Davis Ewell of Gibson, Moore & Sutton, Richmond, past president of the Virginia Association of Insurance Agents.

George Olmsted, chairman of Hawkeye Casualty of Des Moines, has been promoted from lieutenant colonel to colonel. He is in charge of the distribution branch of the international division of the army services of supply and secretary of the assignment committee of the international branch, which directs flow of munitions to the various fighting fronts. He went to Washington in March, 1942 as a major.

J. C. Olsen, who has been traveling in western Wisconsin for Liverpool & London & Globe as state agent, has been inducted into the navy. He is at the training station at Farragut, Ida.

Charles R. Sackett, president of the Sackett & Salmon agency in Indianapolis, has been promoted to major at an American bomber station somewhere in England.

Harold W. Williams, state agent of American with headquarters in Rockford, Ill., and Henry A. Trenholm, special agent of the company with offices in Rock Island, went to Chicago Wednesday of this week for induction into the army.

NEW YORK

WILL NOT PUBLISH SUPPLEMENT

The 1943 supplement to "Facts and Comments Regarding Sound Insurance" will not be published this year, it is announced by the Business Development Office.

Because of labor problems and the reported shortages of materials, it has been decided to suspend publication of this annual volume for the duration of the war or at least until conditions change so that the publication of the

yearly supplement to "Facts and Comments" in usable and permanent form becomes feasible.

OPENS NEW YORK CITY OFFICE

W. Laurence Miller, former F. & D. field man, has opened his own under-

Moyer Is Agency
Superintendent
of North America

The North America has appointed Arthur T. Moyer of its agency department in the head office as agency superintendent. He succeeds Walter Millar, who recently was transferred from the head office in Philadelphia to become manager of the service office in Cincinnati. Mr. Moyer has been associated with North America since 1927, when he entered the automobile department in the head office. Two years later, he was transferred to the Pittsburgh service office as a special agent, later becoming automobile superintendent in the western department. Subsequently, he was assistant manager of that department, and later, on establishment of the Chicago service office, he became fire manager. He went to the head office in the fire underwriting department last year. He has been associated with the agency department since March 15.



A. T. MOYER

Two Companies' Six
Months Returns

The semi-annual statement of Continental shows assets \$117,922,768, premium reserve \$24,273,025, loss reserve \$6,157,445, tax and expense reserve \$2,307,700, dividend reserve \$2,000,000, capital \$5,000,000, net surplus \$77,084,597. The income on profit and loss account for the six months is as follows:

UNDERWRITING	
Premiums written...	\$14,086,257
Increase in unearned premium reserve..	606,503

Premiums earned...	\$13,479,753
Losses	6,287,598
Expenses	6,064,524

Underwriting profit.....\$ 1,127,631

INVESTMENT	
Interest, dividends and rents.....	\$ 2,219,837
Expenses	308,119

Net investment income..... 1,911,718

\$ 3,039,349

Net surplus December 31, 1942 (market quotations)..... 64,253,665

Profit on sales of stocks and bonds (net)

94,656

Increase in market value of stocks and bonds (net)..... 14,546,758

\$81,934,428

Increase in special reserves... 16,590

Cash dividends declared..... 1,999,992

Net surplus June 30, 1943 (market quotations)

\$79,917,845

Fidelity-Phenix Fire

The Fidelity-Phenix Fire as of June 30 shows assets \$94,931,227, premium reserve \$18,597,204, loss reserve \$5,807,693, tax and expense reserve \$1,652,700, dividend reserve \$1,500,000, capital \$3,750,000, net surplus \$62,723,630. The

writing offices for Manufacturers Casualty on the 16th floor of 116 John street, New York City, to handle fire, casualty and bonding lines. His entire business career has been with Fidelity & Deposit. He was located in California for 13 years and for the last eight years has been in the New York office.

NEWS OF THE COMPANIES

income on profit and loss account for the six months shows:

UNDERWRITING	
Premiums written...	\$11,295,851
Increase in unearned premium reserve..	327,632

Premiums earned...	\$10,968,219
Losses	5,008,708
Expenses	4,900,866

Underwriting profit.....\$ 1,058,644

INVESTMENT	
Interest, dividends and rents	\$ 1,874,783
Expenses	133,049

Net investment income..... 1,741,734

\$ 2,800,378

Net surplus Dec. 31, 1942 (market quotations)..... 50,370,858

Profit on sales of stocks and bonds (net)

127,437

Increase in market value of stocks and bonds (net)..... 12,823,092

\$66,121,766

Increase in special reserves... 36,574

Cash dividends declared..... 1,499,995

Net surplus June 30 1943 (market quotations)

\$64,585,195

Two Ohio Farmers
Men Advanced

At the July meeting of the directors of Ohio Farmers, two members of the home office staff were made officers. J. R. Hamilton was elected assistant secretary and manager of the fire underwriting department and P. A. Wilder was made assistant secretary and manager of the farm underwriting department. Both have been members of the home office staff for a number of years.

National Union Extra Dividend

Directors of National Union Fire have declared a dividend of \$1.50 and an extra of \$1, payable Aug. 30 to stockholders of record Aug. 9.

Security National Fire of Galveston has been admitted to Ohio.

Correction on "True-False"
Quiz of Illinois Field Men

In the "true or false" questions asked at the recent meeting of the Illinois Fire Underwriters Association, which were printed in THE NATIONAL UNDERWRITER last week, was one reading: "Outboard motors, detached from boat and on premises of assured, are not covered under the personal property floater."

The answer was given as "true." It should have been "false." The latest edition of the personal property floater, revised last spring, excludes "automobiles . . . boats or other conveyances (except bicycles, tricycles, baby carriages, invalid chairs and similar conveyances), or their equipment or furnishings except when removed therefrom and actually on the premises of residences of the assured." If one takes the trouble to wade through the double exceptions of this confusing exclusion, it is seen that the detached outboard motor on the assured's premises is covered.

In the copy submitted to THE NATIONAL UNDERWRITER, the original answer was "false" (correct) but someone had crossed this out and substituted "true."

REINSURANCE

CASUALTY

FIDELITY

SURETY

EMPLOYERS REINSURANCE CORPORATION

J. B. ROBERTSON . . . PRESIDENT

HOME OFFICE
KANSAS CITY

NEW YORK
CHICAGO
SAN FRANCISCO
LOS ANGELES

N. Y. Arbitration Procedure Reduces Litigation

Department's Complaint Bureau Proves Value in Life and A. & H. Cases

NEW YORK—A considerable increase is reported by the complaint bureau of the New York department in the number of life and accident and health disputes submitted for arbitration. Arbitrators appointed by the department have decided a considerable number of cases recently involving commission questions under life policies and questions involving permanent and total disability benefits under accident and health policies.

The department's arbitration facilities have been available to those desiring them for many years. No lawyer is required in these proceedings. The case is speedily disposed of by an arbitrator in a week to 10 days without the long delay characteristic of most court proceedings.

Arbitration Clauses

Many companies have been putting arbitration clauses into their policies. The fire policy has had one for many years.

A legitimate question may come up under an accident and health policy as to whether the insured is permanently disabled. The department appoints an impartial physician, whose services are paid for by the company, and he decides one way or the other. The department has been instrumental in rehabilitating a number of assured in such cases. For example, one, a jeweler, had a lung condition and his doctor advised him not to go back to work. The insurer admitted there was some doubt. The department suggested the man go back to work for a period of six months and to the company that it pay the benefits during that period, to which both readily agreed.

Assured Was Rehabilitated

The insured had been rapidly going to seed, not being considered able to go to work. He went back to work and at the end of six months experienced no difficulties. He was grateful for the opportunity of rehabilitating himself. Several years have passed and he has had no trouble.

An arbitrator's decision is more binding than a court of appeals, since there is no appeal from his finding except in case of misconduct.

Committees Named by the National Women's Group

The National Association of Insurance Women has appointed its committees, the chairmen being as follows:

Education, Berneda Faulk, Wichita; employment, Doris Mundt, Sioux City; membership, Marjorie Hull, Syracuse; organization, Clara MacCubbin, Baltimore; publicity and historian, Doris Jackson, San Francisco; pin, Jane Rudolph, Cleveland; ways and means, Gladys Hobson, Tampa; welfare, Marjorie Wilson, Topeka; editors, Joyce Lindsay, Oklahoma City; advisory, Elsie B. Mayer, Denver.

Michigan "Comp" Business Increases

New Compulsory Law to Eliminate Many Self-Insurers

LANSING, MICH.—Michigan's revised compensation act which becomes effective July 30 is stimulating considerable new business as several thousand employers who formerly elected to be self-insurers are now compelled to take out insurance as coverage is now compulsory for employers of eight or more persons, farm and domestic help being excepted.

More than 40,000 employers and 1,500,000 workers now come under the act, Mrs. Betty W. Allie, chairman of the compensation commission, estimates.

To Expedite Payments

Benefits probably will now amount to around \$8,000,000 annually, plus \$2,000,000 for medical cost, hospitalization, etc. As self-insurers must now make an exceptional showing of financial responsibility, it is anticipated that nearly all of the firms brought under the act for the first time will be required to purchase coverage from insurers.

The compensation commission's immediate objective, Mrs. Allie said, will be to expedite payments under the law. She said that payments have been notoriously slow under the old act, one of every three disabled workmen being forced to wait from four to eight weeks for his first benefit check. Since the new act shears much of the red tape from the law it is anticipated that payments will be started much more promptly.

Procedure Under New Act

Under the new law and accompanying rules adopted by the commission, it will be unnecessary in the future to file signed agreements in compensable cases or to file weekly receipts for benefits paid. Reports of non-compensable injuries also are eliminated, greatly reducing book work for employers since some 750,000 of such reports have been filed annually in the past. Only one basic report will be required in compensable cases in the future, for all injuries or occupational ailments involving lost time of one shift more than the shift on which the worker was injured.

O. D. Schedules Out

The new law abolishes the old schedule act under which only a specific list of occupational diseases and ailments was covered, thus making any ailment compensable which can be proved to have arisen "out of and in the course of employment" and peculiar to that employment. Other chief changes in the law, most sweeping since the act was first made effective in 1912, include, in addition to the compulsory rather than elective requirement: elimination of accidental requirements in connection with employment-connected injuries; increase of the maximum and minimum benefits from \$7 to \$18 weekly under the old act to \$10 to \$21 under the new, with additional graduated payments of \$2 per dependent up to five dependents in death cases; increase in duration of benefits from 500 to 750 weeks for total permanent disability and 300 to 400 weeks in death cases; increase in benefit weeks in major specific loss cases from 25 to 50 weeks; extends medical care from 90 days to six months and burial costs from \$200 to \$300, and increases benefits for losses of specific members of the body.

New Farm Liability Rates in Wash.

Filing of Bureau and Non- Bureau Companies Sets \$35 Minimum

New farm liability rates have been filed in Washington by the National Bureau of Casualty & Surety Underwriters and non-bureau companies, effective July 24. The National Bureau has filed a new minimum premium of \$35 instead of \$75 for basic limits of farm liability coverage, including \$500 medical payments. The rate of \$1.62 per \$100 payroll is the same as formerly.

A new classification has been added to the O.L.&T. manual for farm liability standard limits with \$250 medical payments. The business can be written at \$1.49 on a payroll basis for all employees other than inservants, clerical office employees and salesmen, who take a per capita rate of \$3.63. Occasional inservants take a rate of \$1.82 per employee. Minimum premium for this class is \$30.

The non-bureau filing sets up two classifications for farm liability, one for orchards and vineyards, for which a minimum premium of \$32, including medical payments of \$500, is charged, and farm labor N.O.C., taking a \$35 minimum. The non-bureau filing provides that the loss and expense constant rule does not apply to either of the foregoing farm classifications. One filing provides a \$30 minimum without the medical payments coverage.

Ill. Governor Vetoes Brokers, Interstate Bills

The amendment to the brokers and agents license law of Illinois, which passed both houses of the legislature, has been vetoed by Governor Green after a ruling by Attorney-general Barrett that it was unconstitutional. The law as amended made the requirements of solicitors more severe, and those in Cook county would have been required to submit to a written examination.

The bill sponsored by Insurance Director Jones providing that the premium tax on the Illinois portion of interstate risks should be based on the premium that would have been developed had manual rates been used also was vetoed by the governor. This bill was opposed by some insurance interests on the ground that it would lead to retaliation by other states. Also, it was felt that since the insurance commissioners are working now to iron out the difficulties in interstate rating, perhaps it would be better to leave the matter to a solution on a national scale. Insurance Director Jones objects to reductions in premiums on the Illinois portion of the interstate risks to offset higher rates which must be charged in rate regulated states.

The bill permitting fire companies to insure against loss from community fires originating from off premises boiler explosion was signed. Governor Green also signed the bill making it unlawful to create the impression that a company, its plan of operation and financial status are endorsed or guaranteed by the state or federal government.

Coverage for Victory Gardeners

TORONTO—Members of the Canadian Underwriters Association are extending coverage under personal liability and property damage policies of

Stabilization Ruling Stimulates Group A. & H. Sales

Not Wages or Salaries: Contributes to Employer- Pay-All-Trend

NEW YORK—The fact that accident and health premiums paid by the employer, whether on an individual or group basis, when the benefits go entirely to the employee or his family, are exempt from wage stabilization regulations and are deductible by the employer on his income tax as business expense, is an important factor in the employer-pay-all trend in accident and health.

A ruling by A. J. White, regional director wage and hour and public contracts division, National War Labor Board, New York, March 23, stated that group accident and health premiums paid by an employer are not within the definitions of wages or salaries as defined in the wage stabilization regulations. The case was Hydramatic Machine Corporation, Bronx, N. Y., which desired to insure its employees under group hospitalization, accident and health and life policies and is significant because for the first time it was stated "premiums on insurance on the life of the employee" may include not only life insurance, but also premiums for casualty lines.

Hydramatic Machine Case

In the Hydramatic Machine case, the president, vice-president, secretary and treasurer of the employer were insured for \$2,500 each under a group life policy and other employees were insured for \$1,000 each. On the same date, Jan. 7, 1942, a non-occupational group accidental death and dismemberment policy was likewise issued, to be effective as of Dec. 1, 1941, with employees all insured for similar amounts in Equitable Society. Premiums under both policies were payable solely by employer. The Hydramatic Machine company desired to extend the coverage through a policy written by John Hancock Mutual Life to include group accident, sickness, and hospitalization, with surgical benefits. The accident and sickness benefits ranged from \$10.50 to \$24.50 per week, depending upon the wages earned by the employee involved, for a period not exceeding 13 weeks during any one disability. The hospitalization benefits consisted of a \$5 daily benefit not to exceed 31 days during any period of disability, an additional \$25 benefit to cover hospital services while confined to hospital, and a maximum surgical operation benefit of \$150.

It was estimated that the total gross annual premium would not exceed 5% of total wages and salaries paid annually by employer for all four policies.

Employer Wanted Ruling

"The employer feels that the issuance of the policy of group accident and sickness insurance and a policy of group hospitalization insurance, including surgical benefits, will not constitute a wage increase requiring the approval of the

(CONTINUED ON PAGE 14)

victory gardeners to cover claims for damages of third parties in respect to the cultivation of gardens on property not owned by the insured. The endorsement will be made on application without charge.

TWENTY-ONE YEARS OF DEVELOPMENT

One of the
earliest advertisements
which featured
THE AETNA PLAN
in national magazines. This
advertisement appeared
in the Saturday Evening
Post, September 18,
1926



From the business John Maxwell
purchased his insurance according
to the Aetna plan. Thus he kept
his protection always up to date
and all his assets properly covered.

"That brings your protection up to date"

All policies in full force . . . every rate correct . . . business, home and family adequately covered in the most economically possible way . . . no chance for a slip-up . . . a new serenity of mind . . . Are you taking advantage of this new scientific method which insures, year by year, that your insurance is adequate or correct?

CHANGE the circumstances under which a policy was originally written, and you may be over-insured or under-insured. You may be paying too high a premium or, changes made, may entitle you to more protection for the same premium.

You may have made additions and improvements to your property or extensions to your business operations which are not adequately insured by your present policies. Your personal forms of insurance protection which you have provided for yourself and your dependents may not have kept pace with present-day requirements.

The new Aetna plan has been designed to correct these conditions. Briefly, this plan includes:

FIRST—A thorough investigation, or survey, of your general insurance requirements.

SECOND—A careful examination, by experts, of the insurance carried.

THIRD—The preparation and presentation of a permanent record—an insurance chart—setting forth what the survey and investigation have disclosed.

FOURTH—A written report showing how the requirements—as disclosed by the chart—can be met.

FIFTH—Continued attention to your insurance needs, and the keeping of the chart up to date.

This service is offered—gratis—both to business and professional men of large responsibilities and to those who are just starting to build a program of insurance protection.

The Aetna affiliated companies are foremost, among multiple-line companies, in the number of lines written and in financial strength. They have dealt in protection for 75 years. They have facilities for covering any risk, regardless of size, and they maintain service offices in every section of the country. Let us tell you about the Aetna Plan. The coupon is for your convenience.

AETNA LIFE INSURANCE COMPANY AND AFFILIATED COMPANIES
Hartford, Connecticut

Gentlemen: Please send me your booklet which describes the Aetna Plan in detail.

Name:

Business:

Address:

AETNA-IZE



AETNA LIFE INSURANCE COMPANY
AETNA CASUALTY AND SURETY CO. STANDARD FIRE

AND AFFILIATED COMPANIES
INSURANCE CO. AUTOMOBILE INSURANCE CO. OF HARTFORD, CONN.

THE AETNA LIFE INSURANCE COMPANY • THE STANDARD FIRE INSURANCE COMPANY • THE AETNA CASUALTY & SURETY COMPANY

MEET STAND BACK OF THE ÆTNA PLAN

Since 1922, when the first "Insurance Chart for Commercial Risks" was released, **THE ÆTNA PLAN** has been helping Ætina Agents provide their clients and prospects with a better type of insurance protection and service. Constantly developed and improved, The Ætina Plan, today, is backed by experience, equipment and service equalled by no other company.

1922—"Insurance Chart for Commercial Risks" (and other forms for making Commercial surveys) released.

1924—Ætina Plan Instruction Folder (forerunner of the present comprehensive manuals) and First Commercial Questionnaire.

1925—Ætina Plan featured in national advertising for first time, with full page ads in "TIME" and other leading magazines.

1928—First Personal Ætina Plan forms and questionnaire.

1932—First and only complete Personal Ætina Plan instruction manual.

1933—First and only complete Commercial Ætina Plan instruction manual.

1934—First full-time Ætina Plan Department established at a Supervising Office (for train-

ing and assisting agents in Ætina Plan work).

1935—First all-line Ætina Plan Visible Record for Commercial risks.

1936—First all-line Ætina Plan Visible Record for Personal risks.

1937—"Visual Selling" charts introduced.

1938—Effective method adopted for making the Ætina Plan for Commercial risks a continuing service.

1939—First and only "Program of Agency Service" introduced as supplementary to insurance analysis.

1941—New pocket size Ætina Plan for small- to medium-sized personal risk.

1942—Plan introduced for keeping Personal insurance analyses constantly up-to-date with a minimum of re-survey work.



IT PAYS TO BE AN ÆTNA-IZER!

CASUALTY & SURETY COMPANY • THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT

Live Stock Market for Insurance Is Very Limited

Hartford Live Stock is the only stock company insuring live stock against mortality. There are a number of farm mutuals writing this business. Some companies will write thoroughbred horses. London Lloyds at one time was regarded as a good market for live stock but it is not seeking that line. It will write an assured who owns a large stable of race or show horses. It is not very much interested in writing a single animal. Some of the inland marine companies are entering the field of live stock insurance against fire and windstorm.

Companies writing farm business cover live stock against fire, lightning and windstorm. There are a number of inquiries regarding insurance for valuable dogs. Companies will not write dogs unless they find one that is valuable, is well looked after and in good physical condition. In Louisville and Lexington, Ky., there are a number of horse breeding owners having a considerable number of animals and they have no difficulty in getting insurance.

Ruling Stimulates Group A. & H. Sales

(CONTINUED FROM PAGE 11)

War Labor Board or any other governmental agency having jurisdiction, but the employer desires a ruling with respect to this question before extending the group insurance benefits as aforesaid," Director White stated.

According to the ruling, "on the basis of the facts presented, providing the proposed group health and accident insurance premiums are deductible under Section 23A of the Internal Revenue Code, you are advised that the premiums to be paid are not within the definitions of wages and salaries in Reg. Ft. 4001.1 of the economic stabilization director and therefore not within the purview of executive order 9250."

A ruling stating that premiums paid on accident and health policies for employees are deductible expenses on income tax payable by the employer has been obtained from the internal revenue bureau by H. F. Fishbeck, Mather & Co., brokers. Mr. Fishbeck is using the ruling in soliciting firms where he has not previously placed insurance and where there are a number of executives who are not covered by compensation insurance. Mr. Fishbeck points out the value of having this "24 hour coverage" on key men and suggests that the concern pay premiums on accident and health coverage for these men, showing that it is a deductible item for income tax to the employer, but employees will have to include the premiums so paid as additional compensation.

In many businesses today profits are such as to permit the employer to make such an expenditure. The employer shows his appreciation for the work of his employees without violating the wage freezing order.

Mr. Fishbeck obtained a ruling from the collector of internal revenue in Brooklyn on a specific case involving a small closed corporation with three partners stating, "if the taxpayer is not the beneficiary of a policy, the premium so paid will not be disallowed as a deduction merely because the taxpayer may derive the benefit from the increased efficiency of the officer or employee insured. Under this provision the corporation mentioned by you would be entitled to the deduction."

The corporation purchased a policy for each of the three partners in question with a total premium of \$900. Mr. Fishbeck has sold a number of other smaller corporations on the same plan and ex-

Off-Job Accidents Grow in Number

National Safety Council Issues Booklets Giving Practical Suggestions

The National Safety Council calls attention to the fact that it is startling to many people but nevertheless a fact that more workers are killed and injured by accidents during off-the-job hours than while they are at work. The accident death figures for workers during 1942 were 18,500 killed while at work but 26,500 were killed while away from work.

To combat absenteeism caused by off-the-job accidents to workers, the National Safety Council created a special off-the-job safety committee to collect, interpret and make available pertinent data and promotional material on off-the-job accident problem as could be assembled.

The National Safety Council has made available to industries in quantity lots kit and material to promote off-the-job safety campaigns. For instance, a pamphlet is published, "270,000,000 Man Days," in which it gives industry's problems and describes the entire service. It suggests safety measures to be followed where not at work.

A number of companies now are issuing policies providing for off-the-job accidents inasmuch as workmen's compensation insurance takes care of occupational accidents.

Cover Park Board Liability

PEORIA, ILL.—Accepting the report of a special committee, the Peoria park board voted unanimously to contract for a comprehensive general liability policy covering all board property, except the airport. Trustee Kellogg explained that the airport, due to its special hazards, could not be included in the general policy.

One trustee at first demurred at the cost of such a policy, insisting that park board properties were so well kept that hazards were negligible, but voted affirmatively on roll call.

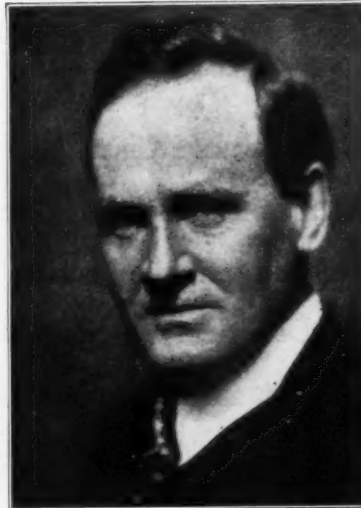
perience the biggest business in June and July he has ever had.

Still Bar U. S. Plans in La.

NEW ORLEANS—In spite of vigorous protests from the war department and other governmental agencies, the Louisiana Casualty & Surety Rating Commission is standing pat on its recent ruling that the comprehensive rating plans of the various governmental agencies in connection with war projects are not approved in Louisiana as to operating plants. Such plans have been approved only for construction work. Chairman O. Wharton Brown of the commission has a ruling from the attorney-general that approval of such plans would be in violation of the anti-

Albert W. Whitney, Veteran in Casualty Bureau Work, Dies

Albert W. Whitney, 73, for many years a prominent figure in casualty supervisory work, died in a New York hospital, after a brief illness. Funeral



ALBERT W. WHITNEY

services will be held Friday at White Plains, N. Y., where he resided. He had retired last February as consulting director of the National Conservation Bureau.

Mr. Whitney was born in Geneva, Ill., and graduated from Beloit College. At the time of the San Francisco earthquake and fire, he did loss investigation work for the San Francisco Board of Fire Underwriters and later was employed by the San Francisco chamber of commerce in the same connection. While serving as actuary of the California Industrial Accident Board, he aided in developing some features of the California compensation law that have served as a model for other states.

In 1910-11 he was actuary of the Merritt investigating committee in New York and also served as actuary of the New York department. He was general manager of the Workmen's Compensation Service Bureau 1914-21 and when the National Bureau of Casualty & Surety Underwriters was formed he became manager in charge of the conservation department. He went with the National Conservation Bureau in 1938. He was a fellow of both the Actuarial Society of America and Casualty Actuarial Society.

discriminatory laws of Louisiana. The matter was scheduled for discussion at a recent meeting in Baton Rouge but nothing was done, as a government representative and a representative of the Association of Casualty & Surety Executives were unable to attend.

Agent Never Delinquent in Payments

Aetna Casualty & Surety in connection with the 50th anniversary of Maj. W. L. Pierce, its agent at Christiansburg, Va., states that it is interesting to note that in all of the years that he has been in business he has never once been delinquent in the payment of his accounts with any company. Aetna Casualty attributes this record to the fact that with the sale of each policy he always has a definite understanding with the client as to how and when the premium will be paid. Some agents are inclined to extend credit rather easily, telling the assured "not to worry" about the payment of premiums.

Major Pierce on the other hand, the Aetna Casualty says, always follows the

practice of asking each prospect at the time business is written how he wishes to pay the premium. Occasionally a prospect will reply that he can pay the entire premium at once. In most cases, however, the assured will say that he cannot pay all of it at present but he could pay part and the balance later on. Then Major Pierce suggests an amount which might be paid immediately, informs the holder that it would be satisfactory for him to pay the balance "the first of the month" or at whatever time may be agreed upon. In every case, however, he makes a written record of the agreement and a follow up is made at the appointed time to collect the amount promised.

Takes Action on Large Premium Risk

Chattanooga Insurance Exchange Approves the Graded System

CHATTANOOGA, TENN.—The Chattanooga Insurance Exchange this week passed a resolution on compensation for writing large casualty lines with substantial premiums.

The resolution cited the fact that the Association of Casualty & Surety Executives has submitted a new plan for the writing of large compensation risks calling for a gradation of expenses and acquisition costs, and stated that the plan as submitted seems to make the premium for such insurance commensurate with the cost of handling risks with large payrolls and that agents and companies alike have recognized that large premiums should be given special treatment and thus have used the equity rates on most large casualty risks.

Reviews Government Plan

The government has recognized the differential on large risks and has been using the war department rating plan during the emergency. "We do not approve the war department plan but simply recognize it as a threat and a demand for reduced costs on large risks," the resolution says. It declares the new plans as submitted will reduce the cost to many manufacturers, merchants and contractors on compensation insurance as well as providing an incentive for accident prevention which will thus conserve manpower.

Recognizing that reduction on larger compensation risks has long been overdue, it therefore urged the approval of the new rating plans in Tennessee as soon as possible.

Continental Casualty in Half-Year Gain

As of June 30, Continental Casualty shows assets \$51,146,164, increase \$3,074,247 since Dec. 31. After \$1,250,000 was added to the investment contingency reserve and \$200,000 to its insurance contingency reserve, the surplus was \$11,379,622, increase \$233,126. The capital is \$2,500,000. The premiums for the six months were \$15,969,113, an increase of \$427,107.

Enters Accident-Health Field

Western Reserve Life of Austin, Tex., which has been strictly a life company, is now entering the accident and health field, after a two-year study of the problems involved, with a complete line of health and accident policies. A special accident policy for ranchers is being offered. In launching the new program, a three-day meeting was held with 25 company representatives present. President A. F. Ashford, C. B. Calahan, Jr., vice-president and agency director, and Lloyd L. Grove, agency supervisor, were in charge.

Ohio Field Club Elects

COLUMBUS—The Casualty & Surety Field Club of Ohio has elected the following new officers: S. W. Shellinger, Buckeye Union Casualty, president; Peter P. Franzen, Loyalty group, vice-president; Thomas S. Williams, Hoosier Casualty, secretary; Arthur A. Stahl, Ohio Casualty, treasurer. At the summer party, Superintendent Crabbe, F. P. O'Connor, assistant to the superintendent, and Thomas L. Woods, financial officer of the department, were special guests.

Successful agencies use the Insurance Buyers' Digest for promoting new business. Write The National Underwriter for samples.

Ohio Plans for Responsibility Law Program Formulated

COLUMBUS, O.—Plans for putting Ohio's new automobile financial responsibility law into effect were considered at two meetings here, the first having been called by Superintendent Crabbe to devise an assigned risk plan and the other, sponsored by the Ohio Association of Insurance Agents, to discuss an educational program.

Superintendent Crabbe presided at the morning session at which representatives of several companies spoke, relating the history of financial responsibility legislation and experience in other states. One urged that the Ohio plan be limited to those who were compelled to buy insurance, but the majority favored the broader method of taking in all who wanted it. A committee was named to draft an assigned risk plan and after protracted consideration it recommended the Indiana plan with a few modifications. Committee members are: Anson B. Smith, Pioneer Mutual Casualty; Nolan D. Pierce, Indemnity of North America; Edgar F. Gieck, American Automobile; H. W. Stoker, Employers Mutual Liability; J. M. Muir, National Association of Mutual Casualty Companies; M. Gloriot, National Bureau of Casualty & Surety Underwriters; Oscar P. Ruffing, Travelers; Don McVey, Ohio Farmers Indemnity; Herbert F. Green, State Auto; Frank K. Vaughn, Underwriters Service; Paul R. Gingher, attorney Ohio Association of Insurance Agents. L. U. Jeffries, warden of the Ohio division of insurance, sat in an advisory capacity. Mr. Gieck acted as chairman.

Mr. Gingher said that the Ohio law is not as strict as the model law devised for financial responsibility but that the "people will soon understand what it means."

At the afternoon session in charge of Frank K. Vaughn, secretary of the Underwriters Service, speakers told of advertising campaigns in other states following the adoption of financial responsibility acts. Among the speakers was Roy L. Davis, manager of the Chicago office Association of Casualty & Surety Executives. Representatives of the Ohio highway department and other state bodies pledged their cooperation in the educational plan. The department has for several years issued a large volume of material on highway safety. The educational program as sponsored by the Ohio Association of Insurance Agents was approved and a committee was named to put it into effect. On this committee are I. L. Morris, Underwriters Service; T. M. Gray, Ohio Association of Insurance Agents; Lewis P. Richey, unaffiliated stock companies; John C. Haaf, unaffiliated mutuals; O. P. Ruffing, Association of Casualty & Surety Executives. Another to represent the American Mutual Alliance also will be appointed. The educational campaign will be submitted to the companies for their approval. Superintendent Crabbe also announced that a governing committee for the assigned risk plan will be named as soon as he can confer with the companies and that these in turn will name a manager to carry out the plan.

Oscar P. Ruffing, Travelers, representing the Casualty & Surety Executives Association, has been named chairman of the Ohio safety-financial responsibility educational committee.

Comprehensive Policy Value

The Aetna Casualty cites a case to show the value of the comprehensive personal liability policy. A dog got playful when he saw some clothes flapping in the breeze in an adjoining yard. He tore into the apparel and ruined an expensive quilt among other things. The dog owner paid more than \$400 for the onslaught.

Geo. Manzelmann—Striking Product of True American Way of Life and Opportunities of Democracy

By C. M. CARTWRIGHT

We hear the expressions, "The American way of living," and "Democracy" these days and by reiteration they have become stereotyped and conventional. We listen to radio broadcasters employing these terms in connection with commercial scripts. They roll off the tongues of professional speakers. They are employed by many who do not divine their real meaning. To most of us they have



GEORGE MANZELMANN

become largely academic and commonplace. However, now and then there comes to the front an episode or an example that revivifies the pristine glory of these expressions. They are brought into a new perspective and galvanized into life.

These circumstances are vital and arresting. I want to tell the story of President George Manzelmann of the North American Accident of Chicago and whenever I think of it I have a new insight into the traditions, aspirations and hopes of this country. It is a story worth relating whether we are personally acquainted with Mr. Manzelmann or not, whether we know him by reputation or his position, or whether we never heard of him. It is one that has a call to arms. It is moving in its details. It is dramatic and graphic. It teaches us all a new lesson on patriotism.

Parents Came from Germany

George Manzelmann's parents resided in Germany. His father was a tenant farmer. Both his father and mother were hard working people. They had little to live on. Sometimes they hardly knew how an adequate amount of food could be gotten. Yet from the German standpoint they had social security. If they were disabled the government would look after them. If they were sick the government would take care of them. If they had no work the government would hand out a dole. If old age found them helpless again it would render assistance. However this may be, the fact that he was regimented and told what to do and how to do it, the fact that he lived in a militaristic country where there were constant rattling of sabers and marching of men, did not sit well. He wanted to migrate to some point where he was free to act. He desired to bring up a family in an atmosphere of liberty where his children would have an incentive to make something of themselves.

So George Manzelmann's parents came to the United States. They settled in Chicago and the father became first a railroad section hand and then a hauling contractor. He owned five horses and he had five children. At times the going was rough and almost

devastating. They had no luxuries whatever and even lacked some necessities. The horses lived largely on raw carrots because that was the most inexpensive food and very often the family ate raw carrots with the horses.

Worked Hard As a Boy

As a small boy George Manzelmann had to contribute to the living of his family so he took a newspaper route and all through the blustery, cold, bleak days of winter in Chicago he carried papers before daylight. Later on when he became larger he accompanied his father on a big wagon when there was hauling to be done. He helped to screen sand on Lake Michigan's shore, loaded it and drove the team on the street car rails because that was the only part of the street then paved, to the destination. He was a barefoot boy, hard at work in his early teens. The parents believed in education and George was going to school. However, he was forced to quit formal schooling after he had graduated from the eighth grade. He then had to go to work with a right good will to help his family.

The elder Manzelmanns regardless of the fact that they gave up their social security and had none in the United States were glad they came to this country. They looked about them and saw a different atmosphere than they had breathed in Germany. They were free to go and come. They were not watched and guided. They had the incentive to do something. They wanted to bring up their family in the American way and give them an opportunity. The father and mother never regretted that they came here. They kept a bright heart and envisioned the future.

Office Boy With North American

When George started out in life seriously after his school days, he found a job as office boy at the head office of the North American Accident in the Rookery building, Chicago, where it is still located. He will celebrate his anniversary in becoming associated with the North American Accident Aug. 8, when he will have rounded out 32 years of service. George Manzelmann was not afraid to work. His father had taught him the value of industry and application to his duties. He learned the lesson of thrift and enterprise. He was willing to labor and work hard. He attended to his affairs intelligently and skillfully.

It was fortunate for this boy that the secretary and manager of that company was the late Alfred E. Forrest, who came to Chicago himself as a comparatively poor boy from Canada and made his way onward and upward until he was the guiding genius of the institution. He had, therefore, an understanding sympathy with boys like George Manzelmann who had come up through the hard, gruelling path but had their eyes on something beyond. Therefore he gave George Manzelmann a chance. The boy accepted the opportunities that were placed before him. He gradually worked up through various positions in the office until he became vice-president in charge of production and the agency force. Today George Manzelmann is president of the North American Accident, a splendid institution, well ordered and well administered. Thus he has risen to the highest position of his organization.

Owes Debt to His Country

He realizes the fact that it was the so-called American way of life that brought him where he is. Had his folks remained in Germany he probably would have been a farm hand or a tenant farmer. He owes America a great debt of gratitude and he does not hesitate to express it. He is thoroughly imbued

(CONTINUED ON PAGE 20)

Auto Ownership Liability Factors Are Pointed Out

LOS ANGELES—Changes in the state law were reviewed by Vernon Hunt, insurance attorney, before the Casualty Insurance Adjusters Association of southern California in discussing "Automobile Ownership Liability."

Under present laws the actual owner has liability even if he is not the registered owner. The broadening of the "permission" rule as exemplified in court decisions is likely to give some additional trouble, he pointed out. Counsel for companies have no clear cut defense in cases involving "permission" and need not expect directed verdicts but should be prepared to have the cases go to the jury. The defense counsel cannot always depend on getting judgment against the operator of the vehicle. Conditional vendors cannot escape liability unless they comply with the motor vehicle code and notify the department of motor vehicles of the sale immediately on the forms furnished by the motor vehicle department. A delay of two or three days, as is too often the case through negligent office methods, simply means that if an accident occurs between the day of sale and the day of mailing the notice, the vendor is liable. In the case where the sale is a cash sale the vendor, to escape liability, must give both the pink and the white slip to the vendee.

He cited the conflict between the motor vehicles code which requires cars to run at night with headlights and the federal dimout regulations, imposed by army proclamation, and said that the emergency act passed by the last legislature prohibits prosecution for violation of the code when the federal war regulations are at variance with the code.

Richmond Agents Cited on Fraud Charges

RICHMOND—Walter A. Costello and C. E. Alspaugh, agents here for National Casualty, have been ordered to appear before Commissioner Bowles on charges of fraud. The company is not involved. Three alleged fraudulent transactions are set out, all involving the sale of workmen's compensation coverage to saw mill operators in Louisiana county. It is alleged that the men told the operators that Virginia law makes it compulsory for employers to carry compensation insurance on their employees and that "policy fee" of \$3 together with the premium for one month was collected on the insurance which they allegedly placed. Alspaugh is also charged with having represented himself as an employee of the state in the transactions. The citation alleges that he agreed to accept the policies as satisfactory to the state in compliance with the compensation law.

U. S. Casualty Operations for Six Months' Period

Underwriting operations of the U. S. Casualty for the first six months show a gain of \$447,604 before federal taxes of \$129,750 or 11.6% of earned premiums, more than double the gain of \$170,651 or 4.3% of the earned premiums reported for the corresponding period last year. Unearned premium reserve is \$3,306,046, increase \$148,842 since Dec. 31. The premiums were \$4,015,060 and for the similar period in 1942, \$4,377,420, decrease \$362,360. The decrease is stated to be due to the automobile line which last year represented about a third of the total premium income. Automobile premiums are off 28%. The incurred losses were 50.3% four points lower than a year ago. Policyholders surplus amounts to \$5,236,601, increase \$932,017.

ACCIDENT AND HEALTH

National A. & H. Winter Meeting Set for Jan. 11-12

DES MOINES—The National Association of Accident and Health Underwriters will hold its annual convention in Des Moines Jan. 11-12. These dates are announced by Martin L. Seltzer, general agent of General Accident and president of the Des Moines association, which will be host to the National association. Headquarters will be at Hotel Fort Des Moines.

Several A. & H. Promotions by Continental Casualty

Several additional promotions in the accident and health department of Continental Casualty were announced by George W. Fitzsimmons, superintendent of agents of the disability division. H. D. Palmiter has been advanced to eastern supervisor in charge of all disability division production activities in eastern territory with headquarters in the 75 Fulton street, New York City branch office. E. W. Wuterich becomes manager of the disability division's Boston branch office in succession to Mr. Palmiter. A. E. Hirst was named manager of the disability division's collection department in the home office. Mr. Palmiter's service with the department dates from 1933. At Boston he was successful in developing unusual disability paycheck plans which enable Continental agents to provide protection for employees in shipyards and war plants.

LeClair Joins Omaha Companies

Howard LeClair, who has resigned as chief deputy insurance commissioner of Washington effective Sept. 1 to join the legal department of Mutual Benefit Health & Accident, United Benefit Life, graduated from Seattle College in 1925 and from the University of Washington law school in 1929. He practiced law in Seattle for five years, joining the staff of the state attorney-general in 1934. He was appointed chief deputy by Commissioner Sullivan in 1938.

Golden State Observes Milestone

LOS ANGELES—Golden State Mutual Life is celebrating its 18th anniversary with \$10,450,000 of insurance in force and assets of \$1,030,659. Its health and accident income exceeds \$365,000 per year. It is the only California company owned and operated by Negroes. It operates in Illinois and has been admitted to Texas.

Officers are: William Nickerson, president and manager; George A. Beavers, vice-president and director of agencies; Norman O. Houston, secretary-treasurer, and Edgar J. Johnson, assistant secretary.

Golden State started with \$17,800 of resources in 1925, consisting of \$15,000 guarantee fund and \$2,800 of advance premiums paid by 500 applicants for policies. It is now on a mutual legal reserve basis.

Illinois Mutual's Increase

A 13% increase in paid premiums for the first six months of 1943 over the same period in 1942 was announced by President E. A. McCord at the annual meeting of Illinois Mutual Casualty.

Extends Benefits for Dependents

ST. PAUL—Increased benefits for dependents of subscribers are provided in a new contract announced by the Minnesota Hospital Service Association. It will give dependents virtually the same rights as contract holders themselves.

The cost will be 50 cents a month more than the subscriber is now pay-

ing. It permits a contract holder to waive benefits for himself when he enters military service but continues coverage for his dependents at reduced cost. He may be reinstated to full coverage on return to civilian life.

Plan Hoodoo Day Drive

WICHITA—R. F. Coffman, Columbian National, president of the Wichita Association of Accident & Health Underwriters, held a meeting of his newly appointed committee heads to plan an active year's program which will start with a Hoodoo Day drive on Aug. 13.

Automobile Policy Plan

The Continental Casualty states that because of the cost of the wartime emergency some of its policyholders have been forced to lay up or dispose of their automobiles. Many have built up accumulations under the company's special auto accident policies. In order not to penalize these policyholders the company announces that it will be willing to renew any of them at the full accumulation earned at the time the car was disposed of and any time within

two years after the termination date of the policy.

Warns on Mail Order Carriers

Commissioner Caminetti of California has issued a warning to the public against buying accident or accident and health insurance by mail from companies not licensed to operate in that state.

He says the department receives frequent inquiries and suggests that whenever a resident of California is solicited by mail, he consult one of the offices of the insurance department before buying.

SURETY

City Officials Win in Suit Charging Funds Diversion

In a suit brought by the city of Newport, Ky., against former officials and their sureties, Judge Murphy instructed the jury to bring a verdict in favor of each of the defendants in Campbell county circuit court. The city in its civil suit sought judgment of about \$45,000 from the former city

manager and finance director, and their bonding companies, American Surety and Globe Indemnity, alleging that amount was diverted from school fund, police and firemen's pension fund and sinking fund and applied to general fund.

The case was taken from the jury and the instructed verdict ordered in favor of defendants on motion of the defense when evidence proved to be such that there could be no difference of opinion on the facts. The final question was resolved to one of law on which the court alone could pass.

In previous decisions the Kentucky court of appeals has held there was no wrongful act in the use of moneys to pay valid claims unless the total tax allowed under the constitution was levied and money was spent in excess of this limit.

In the case of Payne vs. City of Covington it was held the tax set for the year in which the obligation was contracted was the standard for judging the validity of claims.

Open Wash. Fidelity Bond Bids

OLYMPIA, WASH.—When bids on the Washington state fidelity bond schedule were opened by the state supervisor of purchasing, 18 Towner Bureau companies entered identical bids

DETROIT DEPENDS ON

PETERSON

for
**FAST, DEPENDABLE
PLATE GLASS
REPLACEMENT SERVICE**

Phone

Cadillac 3707

PETERSON GLASS CO., 2833 JOHN R ST., DETROIT

"PREFERRED"...

AS DEFINED BY THE DICTIONARY:

*"Set above or before in estimation or favor;
regarded or honored before another; held in
greater favor; liked better."*

THE record of "PREFERRED" performance
for 58 years has made this a living definition.

Since 1885 The Preferred Accident Insurance Company has defended its policyholders against loss. Through good times, wars and depressions—it has always lived up to its slogan of "PROMPT PAYING PREFERRED"

Prompt settlement of claims has made the "Preferred" the preferred company of an ever increasing number

of policyholders and has cemented the mutually profitable relationship between the Company, its Agents and Brokers—a large majority of whom have been "Preferred Producers" for a long period of years.

You, too, should place your business with "PROMPT PAYING PREFERRED"

*The Preferred
Accident Insurance Company
of New York*

80 MAIDEN LANE, NEW YORK

Edwin B. Ackerman, President

Automobile • Accident • Burglary • Plate Glass • Liability • Compensation

— Branch Offices —

Boston • Buffalo • Chicago • Los Angeles • Philadelphia • Pittsburgh • San Francisco • Newark

of \$2 per state employee, exception \$3.50 per employee of the military department. The State Liquor Control Board position bond premium was quoted at \$1,089. There were no other bids.

Two years ago, when the present bond form was first written, the business was finally awarded by drawing lots, American Bonding securing half the line and being charged with servicing the business. The other half was divided equally between F. & D. and Maryland Casualty.

CHANGES

Rieke Agency Manager of Highway Mutual

E. H. Rieke, office and production manager of Kurt Hitke & Co., Chicago, and in charge of underwriting, has resigned and gone with Highway Mutual Casualty of that city, as agency manager in charge of production. In this capacity he succeeds Charles J. Grant, vice-president, who has resigned and not yet announced his plans.

The rest of the Highway Mutual staff setup remains as before: Vice-presidents, Clyde L. Korman and M. H. Robbins, the latter being a director; treasurer, Harry V. Gralnek; secretary, Ruben G. Horwitz, and W. K. O'Connor, assistant secretary in charge of underwriting and also office manager.

Mr. Rieke has been office manager of Hitke & Co. and handling underwriting for three years, and has been in the insurance business for 24 years, mostly in Chicago except for eight years in Rockford, Ill., as insurance department manager for a real estate agency. Later he was casualty underwriter of the Allied Agency, Chicago. He started in the business in 1922 with the casualty department of the Engelhard-Krogman & Co. agency, Chicago.

Downey in Indiana Field

G. H. Downey has been appointed special agent of the Buckeye Union companies for Indiana, with office in the 129 East Market building, Indianapolis. He goes to Indiana from Ohio, where he represented those companies, and before that was their special agent in Pennsylvania.

Change in San Francisco

Maurice Kerney, for 10 years assistant manager of the San Francisco office of Preferred Accident, has resigned. He is succeeded by James Morrison, who was sent from the home office.

Detroit Assistant Managers

Two assistant managers of Travelers have been temporarily transferred to the Detroit branch. Donald R. Vorce formerly was in the Columbus, O., branch and A. K. Miller, Jr., in the Des Moines branch. Both will serve as assistant managers in Detroit.

Raynsford Named at Little Rock

LITTLE ROCK, ARK. — A. F. Raynsford, who has been with Commercial Standard for a number of years, has been placed in charge of the company's new service office in Little Rock.

He will handle and supervise claims, as well as assist the agencies in the production and development of business.

Morgan Northern Cal. Special

J. Hudson Morgan has been appointed special agent of Glens Falls Indemnity covering northern California. He is well known in this field.

Joins Employers in San Antonio

J. A. Schellhorn, well known as an adjuster and formerly with the claim department of Larsen & Co., has been

placed in charge of the San Antonio claims office of the Employers group.

Robert Dygert, claims attorney in Minneapolis for Maryland Casualty, has resigned to join the Federal Bureau of Investigation in Washington, D. C.

PERSONALS

Harry C. Michael, vice-president and agency director of Maryland Casualty, has been in Minnesota and North Dakota on business.

C. W. Fairchild, general manager of the Association of Casualty & Surety Executives, has been spending his vacation with his daughter in Auburn, Cal. He also visited San Francisco for a few days, meeting with company executives in that area.

Roswell C. Laub, vice-president and agency director of Monarch Life, was guest of honor at a luncheon meeting arranged by Dwight Mead, general agent Pacific Mutual Life, in Seattle. Mr. Laub recently spoke at the annual convention of the National Association of Accident & Health Underwriters at which Mr. Mead was keynote speaker. D. M. Morgan, president Northern Life, and other company officials, local managers and general agents and officials of life, accident and health associations joined with Mr. Laub in a discussion of problems of national importance to this class of business. Its essential part in the war effort was emphasized.

Charles L. Gibbons, resident manager of Maryland Casualty, Chicago, who has been in Evanston Hospital for more than three weeks with pneumonia, now is reported to be definitely on the mend.

DEATHS

Howard A. Davis, 62, claim manager of the Philadelphia branch of Standard Accident, died there after an illness of two weeks. He joined Standard Accident in 1924 as an adjuster, was made chief adjuster in 1926 and claim manager at Philadelphia in April, 1927. He was a member and past president of the Philadelphia Claim Managers Association, and during his 40 years in insurance, earned the respect of many as an authority on compensation law.

Jacob J. Holtzinger, 37, an auditor of the Buckeye Union group, died in Columbus, after an illness of two years.

Fred H. Hunter, 74, vice-president of Inter-State Business Men's Accident of Des Moines, died at Rochester, Minn., where he had undergone an operation. He had been in ill health since last January.

J. E. Sweeney, who was connected with the Haarmann Agency of New York City, died there after a long illness. He was identified for many years with surety companies, at one time being manager of the metropolitan bonding department of Royal Indemnity. When Great American Indemnity was organized he became manager of its surety and fidelity department, later leaving that position to take charge of the metropolitan office of Constitution Indemnity. When the latter was discontinued he returned to Great American Indemnity as assistant in the bonding department. When he became ill in 1941 he was forced to resign on account of his health. After 18 months he joined the Money & Securities War Damage Group.

American Casualty Figures

The semi-annual statement of the American Casualty of Reading, Pa., shows assets \$7,476,662. It owns \$2,430,499 in federal government bonds, \$1,614,593 other bonds. It has cash \$729,111. Its premium reserve is \$2,488,965, claim reserve \$2,278,314, voluntary reserve \$175,344, capital \$1,000,000 and surplus \$1,000,000. The policyholders surplus is \$2,175,344.

WORKMEN'S COMPENSATION

Misclassification Main Concern in Cal. Hearing

LOS ANGELES—Another week of hearings in the investigation of workmen's compensation practices has been concluded by Commissioner Caminetti. Companies and assured testifying were Pacific Indemnity, Royal Indemnity and Globe Indemnity; American Potash & Chemical Corporation, Tanner Motor Livery, Sprouse-Reitz Co., Colyear Motor Sales Company, Brawley Truck Company, and Coopers, Inc.

Wants Fewer Classifications

Difficulties over the misclassification of employees were aptly demonstrated in the case of American Potash & Chemical Co., which placed a certain group of employees in one classification only to have auditors of its insurer, Pacific Indemnity, insist on placing them in another classification. Later state insurance department auditors would not accept either classification and placed the

group in a third classification. After Mr. Caminetti had heard the testimony at the hearing, he held that all three classifications were wrong and he put the group in a fourth classification.

Mr. Caminetti stated that any new manual he may sign will contain fewer classifications and will be written so clearly and without ambiguity that it will easily be understood and will not have so many sections wherein discretion or judgment of assured or companies will control the classifications.

The only instance of failure to report payroll, covering a two-week period, involved a Globe Indemnity insured, Coopers, Inc., of Burbank, Cal. This was quickly disposed of when it was shown the omission had occurred during a transition of coverage from one carrier to another, and as soon as discovered had been reported, billed and the premium paid.

It is understood the next hearing will be held in San Francisco. However, it is understood that until Mr. Caminetti is either reappointed or his successor named, that Mr. Caminetti does not feel it worth while to conduct further hearings as a possible successor may, under

The
OHIO

CASUALTY INSURANCE COMPANY

Home Office • Hamilton, Ohio

CAPITAL \$1,200,000.00

SURPLUS \$2,785,388.86

ASSETS \$11,485,474.14

Full Coverage Automobile
Special Automobile Accident
Fidelity & Surety Bonds
Plate Glass - Liability
Compensation
Burglary

— Other Offices —

Baltimore - Chicago - Cincinnati - Cleveland
Columbus - Dallas - Denver - Detroit - Des Moines
Harrisburg - Indianapolis - Los Angeles - Louisville
Milwaukee - Minneapolis - Oklahoma City - Peoria
Philadelphia - Pittsburgh - Portland - San Francisco
Seattle - Topeka

After
timony
l three
he put
n.
y new
fewer
ten so
that it
will not
discre-
compa-
s.
report
od, in-
nsured,
This
it was
d dur-
m one
as dis-
ed and
ng will
ever, it
minetti
ccessor
ot feel
hear-
under

YOU helped build them!



BY safety engineering work, insurance is saving millions of man-hours formerly lost through industrial accidents, easing the man-power shortage, and increasing America's war output by hundreds of planes, tanks and guns.

Yet vital as is this contribution, insurance men are still not satisfied. That's why they're constantly increasing their knowledge of wartime insurance problems . . . redoubling their activity in contacting and serving their clients . . . For you insurance men know that *no American can be satisfied with his war contribution until Victory is won!*

U.S.F.&G.

UNITED STATES FIDELITY & GUARANTY CO.

affiliate:

FIDELITY & GUARANTY FIRE CORPORATION

HOME OFFICES:



BALTIMORE, MD.

Consult your insurance agent or broker as you would your doctor or lawyer

pressure, be forced to drop the whole project.

As soon as hearings are concluded, all the data brought out is to be set forth in findings and handed over to a committee composed of all parties interested to form the basis for writing a new manual and a new rating schedule.

New Kentucky Coal Mine Rating Plan

FRANKFORT, KY.—A new plan for determining workmen's compensation insurance rates in Kentucky's coal industry has been announced by James R. Milliken, chairman state workmen's compensation board, along with a downward revision of rates based on the new plan. The new rates are retroactive to last Jan. 1.

The new plan adopted for the coal industry "has been successfully used for industrial classifications for several years and found to be superior to the old plan in many ways," Mr. Milliken pointed out.

"The principal improvements are simplicity and the fact that more credibility is given to accident frequency and less to accident severity" in determining insurance rates.

"Thus there is more incentive on the part of the mine operator for safety work and accident prevention since his insurance rate will be affected more by accident frequency and less by the element of luck than has heretofore been the case."

Prisoners of War Get Arizona Compensation Classification

PHOENIX—A new classification for prisoners of war working on farms has been set up for workmen's compensation insurance by the Arizona industrial commission. Migrant laborers from Mexico are also in this classification, which takes code No. 0062. The rate is \$2.30 and the minimum premium \$50.

Appeal Awards to Teachers

JANESVILLE, WIS.—The Janesville board of education has appealed to the courts from a ruling of the Wisconsin industrial commission awarding compensation benefits to two local teachers who were injured while performing duties for the Rock county rationing board. The commission held that they were injured while engaged in services growing out of and incidental to their employment, because rationing was set up under school control at the request of the federal government. Bituminous Casualty, which writes the compensation coverage for the board, joined in the appeal.

George Manzelmann Is Product of American Way

(CONTINUED FROM PAGE 15)

with the spirit of Americanism and democracy. He realizes that he had the opportunity to make something of himself. When he started with the North American Accident he was not satisfied with his meager education so he went to night school at the Y.M.C.A. College. He had an incentive to accomplish something. He could rise according to his merits. He was independent and free and he had an urge to do something and to make something of himself.

As he grew older he realized that his

parents had the right vision. They sacrificed money and position to come to a country where their sons could make something of themselves and rise beyond the ground floor of human life. In other words, the elder Manzelmanns knew that if a boy had the spirit, enterprise, sticktoitiveness, the industry and the ambition to go ahead he would get somewhere. He did not have to stay in the rut as he would have in Germany with little or no opportunity to go ahead.

Last week George Manzelmann saw his third son inducted into the armed forces. It was a rather sad day for him Thursday of last week when his youngest boy left home and yet he realized that these boys were fighting for a cause that their grandfather espoused many years ago. They were upholding a country that gave their father his opportunity. So George Manzelmann is willing to have his three boys fight for freedom as we know it.

Views on Social Security

It is because of George Manzelmann's knowledge of his parents' life in the old country, the reason they came here, what he has been able to accomplish himself, that he has very definite ideas on the federal social security program. He is opposed to it. He thinks that an individual should work for his own security. Where one is indigent, disabled and cannot help himself then he believes that the state and local agencies should be the proper ones to care for him and not the federal government. He believes that the federal government can initiate health programs of great usefulness. He does not want people to become dependent and reliant upon the government as is the case in Germany. He desires them to stand up independently and look the future face to face with courage, hope and determination. Those who are not satisfied with their environment can seek a new one. It is because of the rewards of work and the incentive to go ahead that men are strong and resourceful. It is the dole program that is weakening and belittling. He believes in every individual accomplishing as much as he can himself and doing as much as he can for himself. He should not be satisfied with the dole system.

Gives All a New Insight

When one thinks therefore of the vision that George Manzelmann's parents had in Germany, when they gave up everything including government social security to come to this country, when we look back and see this boy facing the winter blasts in carrying papers and as a barefoot lad driving a sandwagon, when we see him entering the employ of the North American Accident as an office boy and now see him in the presidential chair, when we realize he is giving his most sacred possessions, his three sons to his country, we realize after all that there is an "American way of life" and there are stupendous advantages in "democracy." When we hear a story like that of George Manzelmann it brings us a rebaptism of faith in our country and we know that the soul of our America is marching on.

Auto-Owners' Chicago Office

Bert F. Brown, who has been appointed Illinois and Chicago manager of the Auto-Owners of Lansing, Mich., has opened headquarters at A-804 Insurance Exchange, Chicago. He has been Indiana manager of Buckeye Union Casualty with headquarters at Fort Wayne. Mr. Brown has had a long training in Illinois, being with the Chicago Motor Club Inter-Insurance Exchange for 12 years and establishing many of its branch offices in the state. Later he was Chicago manager of T. H. Mastin & Co. Superintendent of Agents R. W. Clark is in Chicago installing Mr. Brown in office.

"Your Family Needs Protection" is an effective booklet for selling the new residence theft policy. Write National Underwriter for samples.

Commercial Men's Organization to Meet in Canada

Because the army has taken over the Broadmoor Hotel, Colorado Springs, the International Federation of Commercial Travelers Insurance Organizations has changed its meeting place to Huntsville, Ont. The meeting will be held there on the same date originally set, beginning Aug. 23 at the famous Bigwin Inn, Lake of Bays, Huntsville. The Bigwin Inn is a famous insurance convention center in Canada. A. W. Franklin, United Commercial Travelers, Columbus, O., is the president of the federation this year, and John S. Whittemore, Eastern Commercial Travelers, Boston, is secretary. No formal program will be followed. Current subjects will be discussed in an informal way by the members.

Employers Re Volume Down and Assets, Reserves Up

Despite a smaller volume of business written in the first half of 1943, Employers Reinsurance reports a substantial growth in assets, a sharp increase in voluntary special reserve and satisfactory earnings, as compared with a year ago.

The voluntary special reserve June 30 was \$3,327,405, an increase of \$1,517,157 for the first six months. This was due to the release from reserves to surplus caused by lower premiums written. As of June 30 the market value of stocks held was \$3,240,773, an increase of \$802,336, which also contributed to the expansion in the reserve.

Premiums written for the half year were \$4,344,559, compared with \$5,391,970 a year ago. The reduction was caused by a decrease in miscellaneous or service lines. Because of the improved financial condition of direct writing companies, they were able to increase their retentions, requiring less reinsurance. The reduction in automobile rates, averaging about 23%, also was a factor. Net investment income for six months was \$218,154, compared with \$209,171.

Assets June 30 were \$23,295,896, increase \$833,351. Bond holdings were \$15,555,478, up \$804,743. The market value of bonds over the amortized value would have increased the assets \$618,680. Cash was \$3,251,902, decrease \$652,671. Reserves for income taxes were \$895,549, increase \$177,990.

Chicago Safety Firm Moves

Industrial Safety & Claims of Chicago has moved into much larger quarters in A1734-38 Insurance Exchange. The space is about double that in the old office. Harry Berg is president and his brother, M. A., is office manager. The staff has been increased with growth of business. This company performs safety engineering work for companies and self-assured.

Need of Scaffolding Company

A concern engaged in supplying scaffolds was held liable for the injury of a workman using the scaffold in Barrett

vs. Builders Scaffolding Company, Inc., by the Massachusetts supreme court. The defendants erected a scaffold for the use of a painting contractor. The scaffold was finished on Thursday. On the following Monday a painter fell from the scaffold and was injured. He claimed that the scaffold was defective, in that one of the boards was warped so that it tilted slightly and was not securely held. His judgment against the scaffolding company was affirmed.

Apparently the scaffolding company needs either comprehensive liability or product liability in addition to contractors' public liability.

Rodney P. Gates of Jackson, Miss., special agent for the general agency of Holland & Gates, has enlisted in the army as an aviation cadet.

The North Dakota Association of Insurance Agents announces that it will hold no convention this year.

Harold T. Leach, who has been insurance manager of the T. Frank Appleby agency, Asbury Park, N. J., has been made a vice-president of the agency.

Accident sales are good. Subscribe to the A&H Review, \$2 a year, for ideas. Address 175 W. Jackson Boulevard, Chicago.

WANT ADS

SITUATION WANTED

With casualty insurance company; prefer Indianapolis; 25 years experience as casualty claim adjuster, department manager and claims attorney; draft exempt; LLB degree; available after Sept. 1. References.

Address S-46, care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Young lady for position as junior casualty underwriter in Pittsburgh branch of large casualty company. Give marital status, experience, salary expected. The personnel of this office have been advised of this ad.

Address S-48, care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Department manager full authority Accident and Life in large Chicago insurance agency of fifty years standing. Give experience, references, draft status. All replies will be held strictly confidential.

Address S-43, care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Illinois downstate General Casualty Field man capable of handling substantial volume of business in old, established agency plant. Give experience, references, draft status and salary expected. Confidential.

Address S-42, care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Casualty Underwriter for branch office of leading casualty company at Pittsburgh. State draft status, experience, etc. Our employees know of this opening.

Address S-47, care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

PAYROLL AUDIT SERVICE

K. L. PEARCE COMPANY

— Audits Since 1920 —

PROMPT — COMPLETE

Iowa, Michigan, Missouri, Minnesota, Dakotas, Nebraska, Illinois, Indiana.

627-28-29 Insurance Exchange Building Des Moines, Ia.

330 So. Wells Chicago, Ill.

MANUFACTURERS
Casualty Insurance Company
PHILADELPHIA



Casualty underwriter desires to make change. Draft exempt with nearly 20 years underwriting experience in all lines in Home Office and Branch Offices of best companies. Excellent record and references. Address S-51, The National Underwriter, 175 W. Jackson Blvd., Chicago, Illinois.

WANTED BRANCH OFFICE MANAGER

by Casualty Company's Eastern Kentucky branch office to supervise and make audits. In letter give full qualifications: good draft status. Fine position for the right man. Address S-52, care The National Underwriter, 175 W. Jackson Blvd., Chicago, Illinois.

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Thomas to Speak at Minn. Parley

MINNEAPOLIS—W. Ray Thomas of Pittsburgh, executive committeeman of the National Association of Insurance Agents, will represent that organization on the program at the annual meeting of the Minnesota Association of Insurance Agents here Sept. 2-3. He probably will speak at the luncheon meeting Sept. 3.

A report on the war damage insurance situation will be made by a company man not yet selected. The program is now about completed.

George A. Thompson, president Minneapolis association, which will be host, has named three chairmen: Clarence A. Olson, Marsh & McLennan, arrangements and registration; Roy F. Miller, Central National Agency, reception, and Ray F. Sheehan, Twin City Agency, banquet.

Unique Claim Is Made Due to Loss by Flood

A unique suit has been filed in the circuit court at Grand Rapids, Mich., asking for damages of \$60,000 as a result of fire which was caused by a flood. The fire occurred last March when flood waters from LaMar Lake, near Grand Rapids, flowed into the Robinson Cartage Company garage, causing short circuit in electrical equipment. The defendants in the suit are the Wyoming township and Kent county governments. The cartage firm charges that they allowed an old drain to become clogged and failed to install a culvert to permit the artificial lake to drain properly.

Hail Losses in Minneapolis Area

MINNEAPOLIS—July was a month of heavy hail losses in this territory and included the storm in North Dakota early in the month followed a week later by another in Minnesota and South Dakota.

Adjusters had not finished their job in North Dakota when the Minnesota storm flattened crops over a wide area around Marshall, Tracy and Pipestone.

George S. Hansen of the Rain & Hail Insurance Bureau made an inspection trip through the storm area over last week and Walter J. Cassidy, hail special agent for Home, also made a first hand inspection of the damage.

Small grain crops are about harvested in southern Minnesota but the counties farther north and all of North Dakota are still subject to hail losses. Corn, flax and soybeans have a month and a half yet to go before the hail hazard passes.

Cincinnati Improvements

Installation of seven hose tenders in the Cincinnati fire department reduced the number of deficiency points charged against the city by the National Board, enough to warrant a class 2 designation in efficiency ratings. The city seeking further improvement has not yet applied for that rating. City Manager Sherrill stated that within three months enough other points would be charged off to insure and not merely warrant a class 2 rating, which would decrease fire rates.

Dunn Claims Service Moves

The John J. Dunn Claims Service of Peoria, Ill., Aug. 1 will move into new quarters in 1217 Jefferson building.

On the same date an additional office

Myers Joins Lukens Agency at Evansville, Ind.



W. C. MYERS

W. C. Myers, former manager of the insurance department of the Franklin Bank of Evansville, Ind., has become a partner in the Lukens & Sons agency in the Old National Bank building there. That is one of the oldest and largest insurance offices in the city. Mr. Myers was associated with the Franklin Bank for 13 years. He previously had been traveling in southern Illinois and Indiana. He is a former president of the Indiana Association of Insurance Agents.

will be opened in Room 404 First National Bank building, Davenport, Ia., to service claims originating in western and northern Illinois, eastern and northern Iowa. Mr. Dunn will be in direct charge of the Davenport department and will supervise the major claims originating in the Peoria office.

Associated in the Peoria office will be Attorney Edward J. Fahey, experienced multiple line claims man who was graduated from DePaul University College of Law in 1929. For nine years, he was connected with the home office of Lumbermen's Mutual Casualty and for the last five years he has been the Peoria branch office claim manager.

Question About Iowa Convention

DES MOINES—Robert S. Andrews of Sioux City, president of the Iowa Association of Insurance Agents, has asked members of the state executive committee to express their opinion on holding the Iowa convention this fall. The convention had been set for Oct. 29 at Des Moines but recently Director Eastman of the ODT has requested conventions be not held.

The Iowa association has exceeded its quota for the public relations drive by 15%, Phil Jester of Des Moines, chairman of the Iowa drive, reports. Additional reports are still coming in to his office. Iowa was one of the first states to exceed its quota.

Gary Agency Honored

Fidelity-Phenix Fire entertained members of the agency of Guffin & Mauzy, Gary, Ind., in tribute to its 25th year of representation. Western Manager E. A. Henne presented a

matching barometer and electric clock suitably engraved. In addition to Mr. Henne, who was accompanied by Mrs. Henne, the special guests were Mrs. G. P. Guffin, Miss Catherine Guffin, Mr. and Mrs. Kenneth MacLennan, Miss Dolly L. Shearer, Miss Ruth E. Gibbs, State Agent Roy P. Elder and Special Agents Maurice Cravens and L. P. Edwards. This year the agency is celebrating its 35th year in the business.

\$85,000 Bay City Bus Loss

The Bay City, Mich., transportation system was crippled the past week when 12 buses were burned, along with equipment and gasoline stores from a fire started by an unexplained explosion. A week previous eight buses and their storage garage were burned at Pontiac. Both cities are important war production centers. The Bay City loss was estimated at \$85,000.

No Missouri Agents' Meeting

The Missouri Association of Insurance Agents has decided not to hold its annual meeting this year. B. U. Sparlin of Springfield is president.

Byrne with Omaha Agency

Robert M. Byrne, who has been state agent for Eagle Star in Iowa and Nebraska for 5½ years, is joining the Omaha Insurance Agency as vice-president. Mr. Byrne was for 10 years

with the Michigan Inspection Bureau as engineer, before going with Eagle Star. He will have charge of the fire and marine department of the agency.

Southern Minn. Regional Elects

OWATONNA, MINN.—Fred Degen of Faribault was elected president of the Southern Minnesota Agents Regional Association at the annual meeting here. George Parkos, New Prague, was chosen vice-president and Merrill Rolfsen, Austin, secretary-treasurer.

Lucas County Board Election

TOLEDO, O.—The Lucas County Insurance Board has elected D. L. Barnes, president; Harvey Hoover, vice-president; J. O. Reid, secretary; J. B. Willford, treasurer; William Wandel, executive secretary.

Plan Ohio Defense Schools

Roy R. Gill, Ohio state fire marshal, and the state council of defense will conduct five defense schools in colleges and universities in September.

NEWS BRIEFS

I. LeRoy Brubacher of the Bryson-Bedwell-Brubacher agency, Columbus, O., has been removed to his home after a long confinement in a hospital.

The Holton Insurance Agency, 829 Pierce building, has been admitted to Class 1 membership in the Insurance Board of St. Louis.

IN THE SOUTHERN STATES

Exposure Charge Rate Cut Hits Some Agencies Hard

ATLANTA—The rate reductions resulting from the elimination of exposure charges in Southeastern Underwriters Association territory are having varying effect on agency income. They appear to have the highest effect in the case of an agency which specializes on dwelling insurance and consequently writes large numbers of policies in connection with mortgage loans. In this case, the reduction in agency income may be as much as 50%, since the more recent dwelling construction in areas such as Atlanta would be in the unincorporated areas where the cut in rates is largest.

All agencies with which the problem was discussed have encountered a great deal of added work in making the necessary adjustments. Apparently most of them are still so busy refiguring rates that they have had little time to exactly figure the immediate effect on income. The principal complaints voiced are that much of the work and a part of the income loss would have been avoided had the adjustment been postponed to the maturity of existing policies and then converted into lengthening the term.

Lloyd Wheeler of the S.E.U.A. expresses the opinion that there is little complaint, "since we have only received five letters of complaint and one resolution."

In connection with the elimination of exposure charges, the Stock Company Association states that "the endorsement blanks furnished by the S.E.U.A. are not adaptable to our setup." A statement has been issued by A. R. Wilkerson, district manager in Atlanta, recommending several changes in procedure for agents in using the S.E.U.A. forms on copies going to the Stock Company Association.

DISCUSS COMMISSION INCREASE

BIRMINGHAM, ALA.—The ques-

tion of increased commissions for agents in the south to make up for some of the revenue lost as a result of the recent wholesale reduction in residential rates was discussed at a meeting of the Birmingham Association of Insurance Agents, but no action was taken.

This question has come up at other local board meetings recently in the south. Agents say that the reduction in their premium income, ranging up to 50% for many, comes at a time when their operating costs are on the increase. In other words they are being squeezed at both ends. They have the job of rewriting existing residential policies for the privilege of having their premium income sharply sliced.

Tennessee Mutual Agents Ask for New York Policy

NASHVILLE, TENN.—With about 50 in attendance, the Tennessee Association of Mutual Insurance Agents by resolution recommended the adoption in Tennessee of the New York standard fire policy. A similar recommendation was made in June by the Tennessee Association of Insurance Agents.

New officers elected are: R. E. Hill, Chattanooga, president; W. Louis Simpkins, Mutual Insurance Underwriters, Nashville, vice-president; Fred M. Smith, Jr., secretary-treasurer. Directors are J. W. Barker, and W. L. Simpkins, Nashville; Will Hall and John Cade, Jackson; Lee Ihle, Knoxville; A. N. Miller, Murfreesboro, and H. C. Leach, McKenzie.

C. T. Houston, deputy commissioner, represented the Tennessee department in the absence of Commissioner McCormack, who was on vacation. A. V. Gruhn, manager American Mutual Alliance, Chicago, told why he so actively opposed legislation in the Tennessee legislature last January that was aimed at direct-writing mutuals of the state.

A. N. Miller of Murfreesboro was retiring president.

Ark. Licensing Non-Residents

LITTLE ROCK — Commissioner Graves reports that about 60 non-resident brokers have applied for and received licenses as required under Arkansas' countersignature law. Sixteen states are represented. New York leads the list, with 11 licensed brokers in New York City alone.

Under the new act, all non-resident brokers and agents must take out licenses before writing business in Arkansas. It prohibits a local agent or company representative from countersigning a policy or dividing commissions with non-resident brokers who have not been licensed.

The Arkansas Association of Insurance Agents has issued a six-page booklet analyzing the new countersignature law.

Ark. Quota 48% Subscribed

LITTLE ROCK — Arkansas local agents have subscribed 48% of the state's quota in the drive for funds for the public relations program of the N.A.I.A.

Henry A. Ritgerod, manager of the Arkansas Association of Insurance Agents, reports that more than 50 agencies have subscribed in the five cities where solicitations have been made. The drive was started July 1.

Number of subscriptions in the various exchanges follows: Little Rock, 35; Pine Bluff, eight; Texarkana, five; Marianna, four.

Tribute Paid to Fordyce

LITTLE ROCK—The Greater Little Rock Exchange paid special tribute to Col. Jack Fordyce, former president of the exchange and commander of the 320th Bombardment Group in North Africa, who was killed in an airplane accident over the Sicilian area, in a broadcast over a Little Rock station.

Colonel Fordyce, former head of the Fordyce & Co. agency here, had been on active duty since 1940. He was a close friend of Maj. Gen. James Doolittle.

Chattanooga Exchange Elects

CHATTANOOGA, TENN. — Sam H. Chester has been elected president of the Chattanooga Insurance Exchange to succeed Charles Colburn. Walter Greenspan of Poss & Greenspan is vice-president; J. E. Watkins, secretary; Preston S. Daniels, treasurer.

New Nashville Building Code

NASHVILLE—A new building code is being compiled by Chester Crossfield, chief building inspector, with the assistance of E. T. Holman, chief engineer of the Tennessee Inspection Bureau.

Oklahoma Committees Named

OKLAHOMA CITY—John W. Bowers, Enid, president Oklahoma Association of Insurance Agents, has named his new committees. Chairmen are: Public relations, Fred Daniel, Tulsa; casualty conference, E. R. Led-

better, Oklahoma City; fire conference, Clarence R. Haskett, Oklahoma City; membership, Fred F. Fox, Oklahoma City; accident prevention, Paul Jaqua, Ponca City; rural agents, Harold Yerby, Poteau; fire prevention, Ed Fleming, Enid; education, Addison Sessions, Okmulgee.

Arkansas General Agents Named

E. B. & F. R. Bloom of Pine Bluff, Ark., have been appointed general agents of Standard of New York for Arkansas. F. R. Bloom, owner of the general agency, will have entire juris-

diction of its affairs in that state.

Alcorn F. Minor, Newport, Ark., local agent, has been elected vice-president of the Lions Club there.

The July meeting of the Chattanooga Association of Insurance Women took the form of a picnic. Miss Edith Bowman, newly elected president, presided at a brief business meeting.

T. Graham Hall of Hall & Benedict, Nashville, now president of the Nashville chamber of commerce, has been named on the committee on education of the U. S. Chamber of Commerce.

PACIFIC COAST AND MOUNTAIN

Kueckelhan Chief Deputy Washington Commissioner

SEATTLE—Commissioner Sullivan has appointed Lee I. Kueckelhan chief deputy insurance commissioner of Washington to succeed Howard LeClair, who has resigned effective Sept. 1 to join the legal department of Mutual Benefit Health & Accident and United Benefit Life.

Mr. Kueckelhan, who has been with the department since 1938, as assistant deputy in charge of the Seattle office, will make his headquarters at Olympia. The Seattle office will be under the supervision of Deputy E. W. Parks, who is head of the licensing department and also is supervisor in the office of the Washington Insurance Examining Bureau.

Mr. Kueckelhan has been in banking and insurance ever since 1917. For six years he was in the banking business at Seattle, starting in insurance in 1923 with the late T. C. Brownlee, founder of the Northwestern Mutual Accident of Seattle, which later became Northwestern Life & Accident. After six years with the company, Mr. Kueckelhan joined the Seattle Savings & Loan Association, returning to Northwestern Life & Accident in an executive capacity in 1933 and remaining there until 1938, when he was named assistant deputy commissioner.

Idaho Agents Will Not Hold 1943 Convention

Oscar W. Nelson of the Gridley Investment Company of Coeur d'Alene, Ida., president Idaho Association of Insurance Agents, states that the organization had started towards preparing for a convention at Boise sometime in August or the first part of September. A few days ago, however, a release from the Office of Defense Transportation requested that all conventions be canceled. President Nelson therefore reached the conclusion that no convention would be held. There will be a meeting of the officers and executive committee in due season.

Must Itemize Deductions

SAN FRANCISCO—Insurance companies are being reminded that under a bill passed at the last session of the legislature, effective Aug. 4, they are required to furnish to all employees a statement of deductions made from their wages or salaries. Apparently some insurers have been under the impression that the requirement did not apply to them. However, the measure is all-inclusive and under its provisions every employer must furnish the required itemized statement of deductions to employees either semi-monthly or at the time of payment of wages or salary.

Tacoma U. & O. Loss Settled

TACOMA, WASH. — Final settlement has been reached on the use and occupancy claim of the Henry Mill & Timber Co. at Tacoma. The insured accepted a payment of \$60,216 on insurance of \$148,000. The fire occurred

in June, 1942, with total property loss in excess of \$1,000,000.

Among the companies on the risk were Detroit F. & M. \$10,000, Fulton \$3,750, Gibraltar F. & M. \$40,000, General of Seattle \$12,000, Maryland \$3,000, Northern \$6,250, Seaboard F. & M. \$8,000, Scotch Underwriters of Caledonian \$35,000, Sun \$20,000 and Yorkshire Underwriters \$10,000.

Two Alaska Losses Settled

TACOMA, WASH.—Charles Taylor, independent adjuster, has returned from an aerial trip to Alaska where he settled two large fire losses. One was at Fairbanks, where the Service Motor Co. sustained a loss estimated at \$115,000. The only insurance carried was \$38,000 on building, of which United Firemen's carried \$20,000, General \$10,000, Firemen's \$5,000 and Canadian Fire \$3,000.

The other fire was at Anchorage. Details were not divulged because of censorship restrictions.

Donates F.U.A.P. Proceedings

Mrs. Walter M. Speyer, widow of the late United States manager of New Zealand Fire, has donated ten bound volumes of proceedings of the Fire Underwriters of the Pacific to the library of the organization. One volume is the first ever issued by the association—published in 1877. Before her marriage to Mr. Speyer, Mrs. Speyer was secretary to the various states' advisory committees in San Francisco, and was widely known among fire company executives.

Wallace on Coast Trip

W. L. Wallace of Philadelphia, vice-president of Pacific National Fire, in charge of eastern operations, has been in San Francisco for the past several days conferring with Arthur C. Connick, newly elected president. This is Mr. Wallace's first trip to the home office for several years. He was formerly located in San Francisco, for a number of years with Associated Fire & Marine and Norwich Union, before joining Pacific National.

N. Y. Policy Acceptable in N. M.

The attorney-general of New Mexico has given an opinion to Commissioner Apodaca that the New Mexico law automatically adopts any changes made by New York state on the standard fire policy. The commissioner has made no further announcement about it.

Hold Cal. License Examinations

License examinations are being held in San Francisco July 30 for fire and casualty agents and solicitors who received temporary licenses in March and for life and disability agents who have been operating under temporary licenses since February. Similar examinations were held at Sacramento July 26.

Drop Advisory Committee Session

The Washington advisory committee has cancelled its Seattle meeting, usually held early in September, due to travel difficulties. The committee in former years conferred with represen-

THE PHOENIX-CONNECTICUT GROUP of Fire Insurance Companies



The Phoenix

Insurance Company, Hartford, Conn.
1854

The Connecticut

Fire Insurance Co., Hartford, Conn.
1850

FOUITABLE

Fire & Marine Insurance Company
PROVIDENCE, R.I.
1859

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA
Montreal, Canada



HARTFORD
30 Trinity Street

CHICAGO
Insurance Exchange

NEW YORK
110 William Street

SAN FRANCISCO
220 Montgomery Street



All Forms of Fire and
Property Insurance including
Ocean and Inland Marine
Country-wide Brokerage Service

TIME TRIED & FIRE TESTED

FACTUAL APPRAISALS

Sound, Competent, Responsible

The Lloyd Thomas Co.
APPRAISAL ENGINEERS
EXECUTIVE OFFICES

NEW YORK CHICAGO
350 FIFTH AVE. 4411 RAVENSWOOD AVE.
DISTRICT OFFICES IN OTHER PRINCIPAL CITIES

tatives of the Washington agents' and field men's associations.

NEWS BRIEFS

F. W. Flood, special agent of Home in Los Angeles, spoke before the Orange County Insurance Agents Association on "Fire Forms."

Kenneth J. Morford of the Burwell & Morford agency has been reelected chairman of the Seattle Housing Authority.

The Cavanaugh Insurance Agency, Pasco, Wash., has been purchased by C. C. Dunning of Walla Walla and the name changed to Dunning Insurance Agency. G. H. Dunning, formerly of Shelton, is now manager.

EAST

Contribute Insurance on Pittsburgh Canteen

In an appropriate tribute to its members in the armed forces, the Pittsburgh Association of Insurance Agents has contributed a fire and lightning insurance policy of \$60,000 on Pittsburgh's new USO-Variety Club Canteen. The policy, written in National Union Fire for one year, was delivered to the Pittsburgh Chamber of Commerce, which has assumed ownership of the building.

Contents of the three-story building were insured for \$15,000, and this policy was the contribution of National Union Fire of Pittsburgh. Records show that two losses have already been paid under the policies.

President Frank L. Duggan of the Chamber of Commerce received the building policy from John B. Ladley, W. L. Ladley Sons, president of the Pittsburgh association, and Secretary B. M. Snyder, at ceremonies in the service men's center. Present also were Charles C. Kohne of John C. Kohne & Co., chairman of the canteen committee, other insurance people and representatives of the USO and Variety Club.

Convict Night Club Builder

BOSTON—Samuel Rudnick, Boston builder, was found guilty in Suffolk superior court of conspiracy to violate city building laws in constructing the new cocktail lounge at the Coconut Grove night club, where 492 lost their lives last fall, and was sentenced to two years in the house of correction. Three other defendants were found not guilty: James Welansky, brother of Barnett Welansky, owner; David Gilbert, Rudnick's foreman, and Theodore Eldracher, city building inspector. The designer of the club, Reuben O. Bodenhorn, was cleared by directed verdict earlier in the week.

Barnett Welansky, owner of the night club, now serving a 12 to 15 years sentence in state prison on a conviction for manslaughter based on the 492 deaths, was also named in the indictment, but was not placed on trial in the latest case.

McCoy with General in Boston

BOSTON—William B. McCoy, Jr., who started in his father's agency in Cambridge, Mass., did field work for Home and Northern throughout New England, and more recently with the Factory Insurance Association as supervisor in the Hartford and New York offices, has become associated with the Boston branch office of General of Seattle. He will have charge of both participating and non-participating operations in the Boston and metropolitan district.



CANADIAN

Kenney Is Glens Falls Manager for Canada

Glens Falls has appointed Chief Agent George B. Kenney as manager for Canada.

Mr. Kenney joined Glens Falls June 1, 1925, following his graduation from Dartmouth College. After training in the home office, he was assigned to the Chicago branch office. A year later he was made special agent in charge of the central Ohio territory and on April 1, 1930, was sent to Toronto as chief agent for Canada.

His duties as manager will bring him in closer touch with agents throughout the various provinces of Canada, with the purpose of improving service and promoting a closer relationship between Glens Falls and its representatives.

Mr. Kenney will continue to make his headquarters at 36 Toronto street, Toronto.

British Columbia Election

Frank Hann, Hobson, Christie & Hann, has been elected most loyal gander of the British Columbia Blue Goose. Harold Darling, British American Securities, is supervisor; Frank Monahan, custodian; Ralph Horton, Union of Canton, guardian; W. Sudbury, Janion & Clark, keeper, and Jack Parrott, Aetna Fire, welder.

Gerow Is Reelected

Kirk Gerow has been reelected president of the New Westminster (B. C.) Insurance Agents Association. H. L. Hutton is vice-president; P. B. Brown, secretary-treasurer.

First American Fire has withdrawn from the province of Alberta.

MARINE

Offer Lighterage War Risk Cover on U. S. Inland Ports

NEW YORK—Lighterage risk coverage has been extended to ports in territories and possessions of the United States under the inland war form. It may be had by endorsement to existing policies if requested, but is available only if the ocean war risk insurance is placed with the same company and applies in respect to all shipments within the range of the policy, specified commodities thereunder, shipments moving between specified places, or a combination of any of these circumstances.

Rates are 7½ cents plus the current rates and are charged on all shipments to which the coverage applies whether the risk is lighter, raft or craft. Where the coverage may be in force at both ends of shipments between ports in the United States, its territories and possessions, only one rate will be applied. Underwriters state that shippers who have an inland war policy and who declare lighterage shipments may cancel or exclude the extended coverage if there are no independent harbor or inland waterway risks.

There is a new endorsement available for marine cargo policies which definitely allocates to marine coverage certain kinds of losses which may be excluded by the F. C. & S. clause. However, this is available only on shipments within the limits of the continental United States, excluding Alaska, providing no other war risk is carried. Rates are ½ cent on smelter products and 1% for other products on voyages

within harbor limits of any one port east of the Rocky Mountains. Rates on all other shipments will be quoted on application.

Cal. Agencies in Marine Field

SAN FRANCISCO — California Agencies, Inc., general agent for Continental Casualty, Continental Assurance and several fire companies, has been appointed general agent of World Fire & Marine for ocean marine and Standard of New York for inland and ocean marine for California, Oregon and Washington. The general agency is now in a position to write all classifications of marine business in these states. Walter L. Dawes, former marine superintendent of Fire Association on the Pacific Coast, is vice-president of the agency in charge of marine development. Offices are maintained in San Francisco and Los Angeles.

Minor President of Virginia F. & M.

(CONTINUED FROM PAGE 1)

director of education and as such he became instructor for the school established by the groups for training young men in the employ of these companies to assume key responsibilities. Recently he assumed supervision of the publicity and public relations activities and personnel requirements of the groups.

Mr. Pitot's Career

Mr. Pitot, who was born and reared in New Orleans, joined L. & L. & G. in 1921, was in its New Orleans office until 1927, when he was transferred to New York. There he passed through various stages of underwriting training. In 1934 he was made state agent for the groups in Alabama, later becoming state agent in Louisiana. In 1940 he returned to the New York office and was made special representative of the brokerage and service departments. In this position he traveled over much of the country in the development of business. Subsequently he was appointed superintendent of the general cover department for the groups.

Mr. Lewis joined Virginia Fire & Marine in 1903 only a few months after graduating from Virginia Military Institute. He occupied various positions in the home office until 1919 when he was elected secretary-treasurer. Eleven years later he became vice-president. After the death in 1941 of William P. Hill, secretary of the company, Mr. Lewis was given the added position of secretary.

Mr. Baker joined Virginia F. & M. in 1902 as a stenographer, later serving in numerous clerical capacities, and in more recent years as state agent in Virginia. In 1939 he was advanced to the position he now holds.

Mr. Mallory went with Virginia F. & M. in 1923 and since then has served the company in numerous capacities. His responsibilities relate primarily to the underwriting practices of the company. He was made assistant secretary in 1941.

Bailees, HHF Forms in Laundry Loss

(CONTINUED FROM PAGE 1)

were 20,000 laundry and dry cleaning bundles on the premises is correct, the laundry had collected \$200 for insurance and was apparently making a neat profit out of this practice.

An investigation of this situation by Commissioner Parker is expected and may result in strong measures to prevent a similar situation.

Most of the companies writing bailees' customers insurance like to write it on a receipts basis which provides a monthly check on the volume of business done. The insurance is adjusted periodically to fit the changing needs of



KEEPING POSTED

With dramatic, eye-catching posters in brilliant colors, Camden Agents keep their show windows well-posted. Cleared to timely themes, these posters stop many a passerby and bring in business for the Camden Agent. Such advertising is one of a number of practical aids to selling that help Camden Agents to bridge the war-widened gap between Agent and client, between Agent and prospect. Wouldn't you like to be a Camden Agent?



CAMDEN FIRE
INSURANCE ASSOCIATION
CAMDEN, N. J.

"A Company is known by the Agents it KEEPS"

the laundry or dry cleaning plant. However some business is still written at a flat charge. When this is done, an inspector checks the volume of business done by the plant at the inception of the policy. After that, the volume might increase substantially without the insurer knowing it. The laundry would have the responsibility of reporting.

The four customers of the Briarcliff Laundry who applied for a receiver were also granted an injunction restraining the company from collecting insurance premiums. The petition asked for establishment of a trust fund to receive any insurance money due to Briarcliff as a result of the fire. This would involve the fire insurance coverage on the plant.

LAUNDRY LOSSES A PROBLEM

Commenting on the Atlanta laundry loss, Chicago adjusters have pointed out that there is frequently a delicate problem in bailees' customers losses as to just how much part an adjuster should take. If the Atlanta loss is as lopsided as reports indicate, there will be no problem there, as all the company can do is hand over the \$1,000 to the receiver, but where the bailee is solvent, another angle arises.

If the loss greatly exceeds the avail-

able insurance, experienced adjusters feel that the adjuster should stay out of adjustments, turning the limit of liability over to the laundry or dry cleaner and letting him settle with customers. If the adjuster negotiates with customers, there is the possibility that a court might decide the company has assumed liability and award recovery in excess of the limit. On the other hand, if the loss is less than the limit, the adjusters can often make a saving by taking charge of negotiations.

Excess Affects "Net Retention"

(CONTINUED FROM PAGE 3)

Duncan & Mount of New York represented Union Mutual Fire with Ray Dumett of Bogle, Bogle & Gates of counsel. The firm of Duncan & Mount points out that the decision of the court is of basic importance to insurers in the field of reinsurance since practically all of the policies are contingent on the term "net retention," which for the first time has now been officially defined by the courts.

The court in its opinion pointed out

that the daily report of Northwestern to Union Mutual indicated that Northwestern was retaining an identical \$50,000, which constituted warranty to the defendant that the plaintiff was retaining \$50,000 net without reinsurance. Union Mutual thus believed and relied upon Northwestern's warranty as it was justified in doing and because of that authorized and approved the cession of \$50,000, the court stated.

When Northwestern notified Union Mutual that its share of loss was \$38,461, it indicated that its own loss under its net retention was \$38,461 "prior to excess." When queried by Union Mutual, Northwestern replied that it had at the time the policy was written a catastrophe excess reinsurance contract whereby Northwestern was reinsured to the extent of 90% of all loss in excess of \$30,000 in any one catastrophe, "although in establishing our net line this fact was given no consideration whatsoever."

Union Mutual promptly replied that on the basis of this information, "it would appear that we have been overlined on this risk," and that Union Mutual's amount should be equal to Northwestern's net amount without reinsurance, or \$32,000 instead of \$50,000 as indicated in the certificate.

The court pointed out that the purpose of the net retention provision in the reinsurance treaty "is to assure the reinsurer that the ceding company will at all times have as much at stake, dollar for dollar, in the particular insurance as the reinsurer, since the reinsurer must depend upon the knowledge, judgment, diligence and good faith of the ceding company in investigating and appraising the risk, placing the original insurance and making investigations and adjustments in the event of loss."

Further, the court held, Northwestern "owed to the defendant an obligation of the highest good faith to correctly compute and advise the defendant of the plaintiff's actual net reten-

No Direct Evidence of Fall Was Shown in the Trial

The United States circuit court of appeals, seventh circuit, decided a case in Altmayer vs. Travelers Protective Association in which judgment in favor of the plaintiff is reversed. The plaintiff introduced evidence to show that while loading bales of straw the insured became unable to continue with the work and asked another man to assist him with a particular bale. Thereafter he was unable to do anything more. From then on the insured did not conduct himself normally and subsequently consulted a physician. The doctor stated that the insured had said he had fallen. His case was ultimately diagnosed as cerebral hemorrhage and he was taken to the hospital where he died a few days later. The cause of death was attributed to sub-dural hemorrhage.

The burden of proof was upon the plaintiff to establish that death was due to violent, external and accidental means, said the court, and not merely that it might have been so caused.

tion under article 8 of the reinsurance treaty and to further advise the defendant of all relevant facts bearing upon said net retention and the nature of the risk. The plaintiff did not inform the defendant, and Union Mutual was thus prejudiced. The court also called attention to article 14 of the reinsurance treaty which provided that if in case of loss the amount ceded to the reinsuring company is in excess of the amount authorized in article 8, the amount reinsured with the reinsuring company shall be reduced "in such manner that the liability of the reinsuring company will not exceed the amount for which it would have been liable" had article 8 been complied with. Union Mutual thus was entitled to adjust its liability in accordance with the provisions of article 14.

The cause was dismissed.

A DIRECTORY OF RESPONSIBLE INDEPENDENT ADJUSTERS

DIST. OF COLUMBIA

NICHOLS COMPANY INSURANCE ADJUSTMENTS

All lines—Representing Companies only
Established 1921—Twenty-four hour Service
Washington, D. C., Woodward Bldg., Phone Met. 0316
Richmond, Va., Mutual Bldg., Phone Dial 3-8359
Baltimore, Md., Mercantile Tr. Bldg., Ph. Lexington 6220
Winchester, Va., Masonic Bldg., Phone Win. 3858
Hagerstown, Md., Warcham Bldg., Phone Hag. 798

NATIONAL ADJUSTERS, Inc.

ALL LINES—COMPANIES ONLY

Washington, D. C., 1070 National Press Bldg.
Norfolk, Va., 328 Monticello Arcade Ph. Norfolk 4-1834
Baltimore, Md., 505 Title Bldg., Phone Plaza 0988
Bradford, Pa., 8 Storey Place, Phone 4647
Newark, N. J., 11 Commerce St., Ph. Mitchell 2-7080

ILLINOIS

PHONE HARRISON 3230 THOMAS T. NORTH ADJUSTMENT COMPANY

Adjusters
All Lines
Insurance Exchange Building
175 W. Jackson Blvd.
Chicago

J. L. FOSTER

314 First National Bank Building
Springfield, Illinois

Fire - Automobile - Casualty

INDIANA

CENTRAL ADJUSTING CO.

Consolidated Bldg. Indianapolis, Ind.
BRANCH OFFICES:
EVANSVILLE
414 Old Nat'l Bank
FORT WAYNE
635 Lincoln Tower
MUNCIE
304 Western Reserve
RICHMOND
210 Medical Arts Building

INDIANA ADJUSTMENT COMPANY

506 Security Trust Building
INDIANAPOLIS
AUTOMOBILE AND CASUALTY
(All Lines)
Other offices at EVANSVILLE, FORT
WAYNE, and TERRE HAUTE.

Indiana (Cont.)

EUGENE McINTYRE Adjustment Co.

All Lines of Automobile, Casualty and
Inland Marine.
Eight East Market Street
Indianapolis
Branch Offices: Muncie, Ind., and
Terre Haute, Ind.

MICHIGAN

WAGNER AND GLIDDEN, INC. TOPLIS AND HARDING, INC. INSURANCE ADJUSTMENTS ALL LINES

Chicago
Los Angeles
Seattle
New York
Detroit

MISSOURI

THOS. R. TADLOCK INSURANCE ADJUSTER

ALL LINES — COMPANIES ONLY
Room 408-9
916 Walnut St. Building
Kansas City, Missouri

OHIO

HERMON N. GEORGE ADJUSTER

For the Insurance Companies
Investigations, Appraisals, Adjustments
34 Years Experience

714-715-716 MAHONING BANK BLDG.
YOUNGSTOWN, OHIO
Phones: Office 66540, 74165. Night Phone 21200

WEST VIRGINIA

JOHN C. WYCKOFF CO.

INSURANCE ADJUSTMENTS
MAIN OFFICE FAIRMONT, W. VA.
BLUEFIELD, W. VA. CLARKSBURG, W. VA.
Peery Building 429-430 Empire Natl.
HUNTINGTON, W. VA. Bank Bldg.
First Huntington Natl. WHEELING, W. VA.
Bank Bldg. Trust Building
CHARLESTON, W. VA.
Capitol City Building
PARKERSBURG, W. VA.
Union Trust Building

WISCONSIN

Nurnberg Adjustment Co. GENERAL ADJUSTERS

Fire, Windstorm, Hail, Automobile, Casualty,
Inland Marine and Aircraft
(Licensed Pilot in our Employ)
Underwriters Exchange Bldg.

MILWAUKEE
828 N. Broadway
Branch Offices: Antigo and Madison
Phone Daly 6933

NO. 2 of the FIVE STAR features

SKY-HY
ROOF



HOTEL CONTINENTAL

Featuring 5 star attractions for enjoyment of
living at its best (1) Penguin Room (2) Sky-Hy
Room (3) Omar Cocktail Lounge (4) The
Alcove (5) The New Coffee Shop. Outstand-
ingly gay and attractive
...Guests enjoy all club
facilities, including swim-
ming pool...perfect loca-
tion at 11th and Baltimore



R. E. McEACHIN, Managing Director

KANSAS CITY

Direction—Southwest Hotels Incorporated—H. G. Manning—Founder

\$2.50
WITH
BATH
FROM

Call
l

t of ap-
case in
ive As-
favor of
intiff in-
t while
red be-
he work
sist him
after he
e. From
uct him-
ly con-
r stated
d fallen.
osed as
as taken
a few
ath was
age.
pon the
was due
l means,
that it

insurance
the de-
bearing
e nature
not in-
on Mu-
ne court
4 of the
led that
ceded to
xcess of
e 8, the
insuring
in such
reinsur-
ced the
ve been
complied
entitled
cordance
t.



• After the war there will be new wonders of science and invention within reach of the American public. Brought within reach by the productive genius of American industry and the protective efficiency of insurance!

Over for Dinner Tonight IT'S ONLY 300 MILES!

For insurance protection is a stepping stone to higher standards of living. By guaranteeing future security, insurance enables people to release funds for immediate use. Thus it creates a vast market for the products of American industry. The result is greater employment, better wages, lower prices . . . higher living standards for all.

Insurance, and the men and women engaged in extending its benefits to the public, has done much to improve the life and environment of the people of this country. It is now helping to win victory for the American way. And when the war is over, it will do its part in making life in America more comfortable, more enjoyable and more secure than ever before.

FIRE MARINE CASUALTY SURETY
Loyalty Group
INSURANCE

HOME OFFICE • 10 PARK PLACE • NEWARK, N. J.

Firemen's Insurance Company of Newark, New Jersey

The Girard Fire & Marine Insurance Company	Royal Plate Glass & General Ins. Co. of Canada
National-Ben Franklin Fire Insurance Company	The Metropolitan Casualty Insurance Co. of N. Y.
The Concordia Fire Insurance Co. of Milwaukee	Commercial Casualty Insurance Company
Milwaukee Mechanics' Insurance Company	Pittsburgh Underwriters-Keystone Underwriters



Western Department 120 So. LaSalle St. Chicago, Illinois	Foreign Department 111 John St. New York, N. Y.	Canadian Departments 465 Bay St., Toronto, Ontario 404 W. Hastings St., Vancouver, B. C.	Southwestern Dept. 912 Commerce St. Dallas, Texas	Pacific Department 220 Bush St. San Francisco, Cal.
--	---	--	---	---

Write For Complete Facts About



Loyalty Group Coverage and Service

EUROPEAN
GENERAL
REINSURANCE
COMPANY, LTD.
of London, England

ESTABLISHED 1911



REINSURANCE

CASUALTY
FIDELITY
SURETY

United States Branch
99 John Street, New York

T. L. HAFF, U. S. Manager

E. BRANDLI, Asst. U. S. Manager

/

h
k

||